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Cuba

Alarcon Goes to Madrid for Ibero-American Talks

PA1101142193 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Jan 93

[Text] Cuban Foreign Minister Ricardo Alarcon arrived in Madrid to attend a meeting of Ibero-American foreign ministers beginning on 11 January.

After he and his counterparts analyze compliance with agreements reached at the Second Ibero-American Summit held in Madrid in July, Alarcon will meet with Spanish Foreign Minister Javier Solana to review matters of common interest.

After his visit to Spain, Alarcon will travel to Paris to represent the Cuban Government at the signing of the international protocol banning the proliferation of chemical weapons. Alarcon will also meet with French Government officials to strengthen bilateral relations.

Exiles Demonstrate Against Alarcon

FL1101192293 Havana Radio Rebelde Network in Spanish 1800 GMT 11 Jan 93

[Excerpts] The various international news agencies have reported this morning on the presence of Cuban Foreign Minister Ricardo Alarcon at the meeting of Latin American foreign ministers in Madrid. [passage omitted]

Outside the meeting rooms, the voice of solidarity with Cuba echoed again in the streets of Madrid, where hundreds of demonstrators with revolutionary placards showing pictures of the Cuban president and Che Guevara shouted Viva for the Revolution and Fidel. In a march through the streets of Madrid this morning, these friends of Cuba demanded that the embargo against Cuba be lifted and Cuba's right to self-determination be respected.

But where there is light, there is always shadow. The presence of the Cuban foreign minister in Madrid was also taken advantage of by those who, denying the land where they were born, one day turned their backs on living with their people and now uphold as their banner the consumerist lifestyle, without even taking into account the social justice that is benefitting their own families in this country.

They are the ones who today, from abroad, talk about human rights. They are the ones who took to the streets of Madrid to ask for freedom for Cuban children, ignoring the health rates in our country, where infant mortality had dropped to 10.2 [per 1,000 live births] by the end of 1992. They are the ones who, from abroad, talk about democracy here, separated from the just and participatory process in which the entire nation is immersed today to give power to those who are most honest and courageous.

There were confrontations in the streets of Madrid today. The meaning of the most repeated word in itself describes how our friends defined our detractors: Sell-outs. A precise description of those who have exchanged even their family feelings for a little money.

Alarcon on Ties With Mexico, Canada

FL1101143?93 Havana Radio Progreso Network in Spanish 1200 GMT 11 Jan 93

[Text] Cuban Foreign Minister Ricardo Alarcon arrived in Madrid yesterday to attend, along with other Latin American foreign ministers, today's ceremony to pass the post of secretary of the Ibero-American Summit from Spain to Brazil. The last summit took place in 1992 in Madrid, and one will be held this year in Brazil.

Alarcon asserted that Mexico and Canada will continue their normal ties with Cuba despite the free trade treaty recently signed with the United States by the two countries. The Cuban foreign minister stated that both Mexico and Canada have given assurances that this treaty will not affect third countries.

In today's meeting in Madrid, Spanish Foreign Minister Javier Solana will speak to the plenary session to sum up Spain's actions during the time it has held the secretaryship of the Ibero-American Summit.

Speaks to Reporters

FL1201024093 Havana Radio Rebelde Network in Spanish 0000 GMT 12 Jan 93

[Text] The Cuban democratic system was not copied from anyone and it has nothing to envy of other democracies. This was stated by Cuban Foreign Minister Ricardo Alarcon de Quesada as he answered questions on the subject by reporters in Madrid. Alarcon stated: I do not say Cuba's system is the only democracy, but we must respect the historical features of every country.

In Madrid, Alarcon attended the meeting of Ibero-American foreign ministers, who evaluated the agreements made by their countries during a summit held in July 1992. Alarcon said that Cuba, despite the tough U.S. embargo, having lost its traditional markets in Eastern Europe, and in face of the worst economic situation of its history, guarantees each one of its citizens work, food, free education, and medical care. Alarcon pointed out that those are the rights of all the inhabitants of this planet.

Alarcon said that those who worry over the rights of people and democracy should begin by demanding that the United States cease its policy of pressures and interventions. Alarcon underscored that lately the embargo and the aggressive policy against Cuba has been intensified. He added that that is the most gross violation of the rights of all Cubans.

With regard to the new president of the United States, Alarcon expressed that his election is the result of very

interesting factors in American society, where a majority expressed in the elections their rejection of neoconservatism and uncontrolled capitalism. Alarcon said that if the new administration corresponds to the sectors that brought it to power, we can expect the establishment of a government that is concentrated more on the real problems of the American people rather than the imperialist aspirations that characterized George Bush.

Meets With Spanish Counterpart

FL1201191093 Havana Radio Rebelde Network in Spanish 1800 GMT 12 Jan 93

[Text] After his meeting with his Spanish counterpart Javier Solana, Cuban Foreign Minister Ricardo Alarcon de Quesada answered questions from a group of reporters. The focus of that meeting concerned U.S. pressures and interventions. The Cuban minister stressed that the embargo and aggressive policy of the U.S. Administration against our country have intensified in recent times. This is the crudest violation of all the rights of all Cubans.

Alarcon stated that at the meeting of Ibero-American foreign ministers, time and attention was devoted to Costa Rica's complaint against the measures to pressure that country taken by the United States. The Cuban foreign minister added that the Costa Rican complaint was very reminiscent of what happened to Cuba 34 years ago, and that as one can see, the policy of pressures is not only against Cuba; there are other small Latin American countries that undergo these kinds of experiences.

In answer to another question from the media, Alarcon said that if the new U.S. Administration keeps faith with the sectors that brought it to power, one can expect a government that is more focused on the real problems of the American people.

Haitian Repatriation Begins in Guantanamo

FL1301021993 Havana Radio Rebelde Network in Spanish 0000 GMT 13 Jan 93

[Excerpt] The flights to transport hundreds of Haitians back to their country, in what is considered the first massive repatriation of the year, began today in Guantanamo. To learn more details we will hear a report by Jose Mejias.

[Jose Mejias] Today began the repatriation of more than 1,200 Haitian refugees who were sheltered in camps in Punta de Maisi in the first operation of its type to be carried out in the year that has just begun, 1993. Today at approximately at 1000 [1500 GMT], a Tu-154 [Tupolev Tu-154] of Cubana de Aviacion departed from the (Mariana Grajales) Airport in Guantanamo City with the first group of Haitian citizens to board the plane. Mr. (Jean Pierre Viber), from the International Red Cross committee that attends the areas of Mexico, Guatemala and the Caribbean, expressed his satisfaction for the fulfillment of the steps and for the attention given to the refugees. [passage omitted]

Recent Rains Damage Tobacco, Vegetable Fields

FL1201210393 Havana Radio Rebelde Network in Spanish 1800 GMT 12 Jan 93

[Report by Manuel Rodriguez]

[Text] In the case of tobacco, it is estimated that approximately 60 caballerias have been damaged or destroyed, which should be added to the 9,000 seed beds that no longer exist. This means the plantings scheduled for the rest of the month will also be affected to some extent because they will not have seedlings available at that time.

To this, it must be added that the losses in tobacco and vegetables may be higher since unseasonably high temperatures and excessive humidity have continued in the province. Nevertheless, the opinion of Agriculture Ministry specialists is optimistic with regard to tobacco grown in the mountains, where the best and largest fields are located. This is in Pinar del Rio, San Juan, San Luis, and Consolation del Sur Municipalities, where in general the rains have been beneficial. Even so, phytosanitary measures to control pests and diseases are being intensified.

It is calculated that 43 caballerias of vegetables were damaged. Of these, 23 caballerias were tomatoes planted at the Los Palacios rice complex, that were still under water on 11 January. They quickly sprayed, using planes, to prevent disease and promote the recovery of the plants. The evaluation of the provincial bureau of the Communist Party of Cuba [PCC] recognized the speed with which the municipal and regional civil defense councils reacted and the participation of the residents in carrying out measures established for these kinds of cases, which prevented any loss of human life.

Fidel Ramos Perera, a member of the Central Committee and the PCC first secretary for the province, also pointed out that the response of the mobilized and permanent workers at the enterprises has been outstanding, since there are currently more than 25,000 residents mobilized to the fields, working to recover losses, in addition to students from Havana who continue working in the tobacco fields.

In the sugarcane harvest, the mills in the three northern complexes, which were operating at the time of the rains, remain shut down, and the loss of sugarcane, which had already been cut but could not be milled, has been considerable. It is estimated that combines will not be able to enter the fields in the northern part of the province for seven days.

It was reported that 1,100 houses were damaged; 53 were completely destroyed and 18 were partially destroyed. In addition, the roofs on 299 houses were completely lost. Also, 429 household appliances and 58 mattresses were damaged. Right now, the government in each city is creating conditions to help the populations resolve these problems.

Grenada

Police Investigate Plot To 'Overthrow' Government

FL1201162793 Bridgetown CANA in English 1504 GMT 12 Jan 93

[By Ric Meritus]

[Text] St. George's, Grenada, Jan 12, CANA—Grenada Prime Minister Nicholas Brathwaite says the police are investigating charges that persons in and out of Parliament had been attempting to overthrow his government during the budget debate which ended on January 8. In Parliament, Brathwaite had complained that persons on the government and the opposition benches had been involved in the plot.

"The plan—there is no doubt about it now—was to pay certain members on the government and opposition sides to vote against the appropriations bill, then what you would have had was a majority no-vote against the budget, amounting to a vote of no-confidence, and the government would have had to resign," he told the CARIBBEAN NEWS AGENCY.

The prime minister's charge was supported in the house by opposition member Winston Frederick who said that on December 28 a man went to his home and took him for a drive during which he was offered EC 25,000 dollars (1 East Caribbean dollar = 37 U.S. cents) to vote against the government. Frederick said he refused, but pointed to members on the government side who, he claimed, had accepted a similar offer.

Outside Parliament, Frederick said he was willing to give the police a detailed statement on what occurred on December 28. In fact, the speaker of the house had trouble restraining him from giving the names and other details in Parliament.

Brathwaite told the house that late last year he received a number of phone calls from Canada asking him to verify reports being circulated in several Canadian cities, that an election was imminent in Grenada. He said he was "confused" until he found out that a Grenadian had gone to Canada and was spreading the rumour.

Brathwaite told CANA: "All this plotting was taking place before the budget was presented. It had nothing to do with the contents or the philosophy underlying the budget.

"It was a move to use the budget presentation as an opportunity to implement the plot they had, and I know that thousands of dollars were involved.

"In other words," he continued, "not only people directly concerned with politics were involved, but also people outside, some in business (not the normal business people in the chamber of commerce), but people who, from the previous election, had deals with other groups."

The prime minister said he was "totally convinced on the basis of the evidence I have so far," that there was definitely a plot, properly organised and orchestrated, "and I know who the plotters are, but I cannot disclose that now."

He said although the plot failed, he will always have to "keep my guard up" because "these people are plotters and will continue to plot as long as there is that lust for power, and they want to get into office."

Haiti

Political Parties Bring Action To Stop Elections

FL1201231293 Port-au-Prince Radio Metropole in French 1700 GMT 12 Jan 93

[Text] Eight political parties have brought a dual judicial action against the electoral process. These parties, including the Mobilization for National Development, the National Agricultural and Industrial Party, and the National Cooperative Action Movement, want the Justice Department to cancel the process. The matter has been brought before the Supreme Audit Court and before the court of first instance and might be brought before the Court of Cassation as well. The concerned parties have reservations as to any other action which might be brought before whom it may concern, against the officials for the return of public funds allotted—without the approval of the legislative chambers—for illegal and unconstitutional activities. Unquote. [sentence as heard]

Lack of Quorum Cancels National Assembly

FL1201162593 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 12 Jan 93

[Text] The fifth session of the 45th legislature, which should have opened on 11 January, did not open because the majority of the senators were not present in the assembly hall. The majority of the deputies were present, but only six or seven National Front for Change and Democracy [FNCD] senators, who were getting ready to participate in the 11 January national assembly, were there. Contrary to what everyone expected because of a letter which the FNCD parliamentarians had issued to declare their position on yesterday's session, it was the Alliance for Parliamentary Cohesion senators who were not present at the opening meeting of the 1993 parliamentary session. The national assembly, which did not take place yesterday, gave observers an opportunity to understand the problems which exist in the two chambers.

Whereas the FNCD senators say they would not accept that the current members of the Senate office conduct the opening of yesterday's session, the members of that office assert that their mandates will expire on 4 February.

As for the Chamber of Deputies, the issue is the mandate of the president of the chamber, Alexandre Medard, which expired on 11 January. Other deputies have

already taken steps to replace Medard by elections, which are to be held in the Chamber of Deputies shortly. The deputy from the first district of Jacmel, Joseph Lambert, is reportedly one of the primary candidates for the elections. About 60 deputies were present at the 11 January national assembly chamber. The six FNCD senators present were: Rony Mondestin, Fignole Jean-Louis, Clark Parent, Robert Martinez, Eudrice Raymond, and Wesner Emmanuel.

Senators Suggest Holding Assembly After Elections

FL1201175893 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 12 Jan 93

[Text] Three Alliance for Parliamentary Cohesion [ACP] senators have proposed that the opening of the first session of the 45th legislature for 1993 be held after the results of the 18 January elections. In a letter....[pauses] In a press release published on 11 January, the ACP senators say they are sorry that several parliamentarians [words indistinct] considered asking for a boycott of the partial elections to renew one-third of the Senate and to replace the parliamentarians who had died in spite of the mobilization of the people who have the required age to vote and of other sectors concerned by the elections.

In view of this refusal to do what is provided for by the Constitution and considering the threats hanging over the country's institutions, the ACP suggests to the executive and the offices of the legislative chamber and the Senate the postponement of the opening of the session until the results of the 18 January elections are released.

This note by the ACP is signed by three senators including Serge Joseph, Julio Larosiliere, and Franck Leonard.

Electoral Council Member Offers Ultimatum

FL1201215293 Port-au-Prince Radio Metropole in French 1145 GMT 12 Jan 92

[Italicized passage in Creole]

[Excerpts] There is threat of dissension within the Electoral Council. One of its members, Jean Francis Merissier, accuses the government of attempted incursions within the Council. He said he would resign if the government persists in ints attempts to control the electoral apparatus. Jean Francis Merisier, survivor of the 1990 electoral council, has chosen to make his statements in Grand-Anse. Our reporter Jean-Robert Maturin has filed a report:

[Begin Maturin recording]*During a tour in the Department of Grand-Anse, Mr. Francis Merisier, counsellor for the electoral council, held a news conference in the Grand-Anse BEC [Communal Electoral Office]. The conference was to assess all activities conducted during his tour in Grand-Anse, such as the training sessions for all BEC, BIV, and BED members in the Grand- Anse Department. Mr. Merisier distributed some materials to the electoral offices and provided explanations for certain problems that the electoral council is facing within the scope of managing the electoral process. Merisier let it be known that since he was installed in this function, a so-called support committee has been formed, consisting of members of the prime minister's private cabinet. According to him, the cabinet's behavior is regrettable. Merisier fears that the institution's independence could be compromised. [passage omitted] Merisier stated that if things continue as as they are, he would resign. [passage omitted] He strongly criticized the way in which the Electoral Council pulled out Christophe Antoine, PDCH [Haitian Christian Democratic Party] candidate for the Grand-Anse Department, from the electoral race. Mr. Merisier let it be known that candidate Christophe submitted his file within the 6 January deadline, and that all his papers were in order. He thinks that it was because he [Merisier] holds membership in the Electoral Council that the candidacy of Christophe was rejected. He will resign if the members of the Electoral Council do not revise their decision.*[end recording]

Senate Candidates Hold News Conferences

FL1201222893 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 12 Jan 93

["Report" by Cap-Haitien correspondent Jocelyn Jean]

[Excerpts] Attorney Romel E. M. Manigat, Senate candidate for the Department of the North, held a news conference on the morning of 10 January at 1500 GMT in the Feu Vert Night Club where he submitted.... [pauses] He presented the plan....[pauses] His program, his action plan. The topic he developed in that news conference was why one should vote for a senator—he did not take time to give reasons why people in the Department of the North should vote for him. He said this would prepare him to defend—in parliament—many problems which the Department of the North is faced with. [passage omitted]

Jackson Melius Noel, another Senate candidate, held a news conference on the morning of 8 January in the private clinic of Dr. Charles Manigat, located in 11-L Espagnol Street. In this conference, Noel outlined the major problems faced by the North, and pointed out a series of projects for the north that might be carried out if he is elected senator. If he is elected senator, he said, he would try to interact with the parliamentarians in an effort to resolve the country's crisis and approve the country's budget, on which has not been voted. [passage omitted]

Jamaica

Notes for Debt Rescheduling Signed With Japan

FL1301005293 Bridgetown CANA in English 2121 GMT 12 Jan 93

[Text] Kingston, Jamaica, Jan 12, CANA—Japan and Jamaica have formally signed and exchanged notes for

the rescheduling of U.S.5 million dollars of Jamaica's debt which should have fallen due between June 1, 1991 and June 30 last year.

Under the new arrangement which results from an agreement between Jamaica and Paris Club countries for debt recheduling, Jamaica will now repay the money in 20 semi-annual installments between June 2002 and December 15, 2011.

The Japanese creditors are the Export-Import Bank of Japan and the Overseas Economic Cooperation Fund (OECF).

State minister for foreign affairs, Ben Clare, and Japanese charge d'affaires, Hiroshi Funakoshi, who signed the documents, said the agreement represented "a further step" to reinforce the "good relations" between the two countries.

Trinidad and Tobago

Labor Leader Responds to Manning Criticism

FL1301005393 Bridgetown CANA in English 2020 GMT 12 Jan 93

[Text] Port of Spain, Trinidad, Jan 12, CANA—Errol McCleod, leader of Trinidad and Tobago's national trade union grouping, has rebuked Prime Minister Patrick Manning for recent criticisms of trade union tactics. Speaking to reporters, the National Trade Union Centre (Natuc) president said labour leaders will not be intimidated.

In a recent statement to Parliament, Manning had cautioned trade unionists about their militant and aggressive stance, saying it could turn away foreign investors and send the country back to the International Monetary Fund (IMF).

"He has threatened the trade union movement," McCleod said. "The prime minister has suggested that the trade union movement, by defending the interests of its members and the national community, could undermine the country's economic recovery and drive away foreign investors and force us back to the IMF."

McCleod, president-general of the Oilfields Workers Trade Union, added: "This suggestion is so blatantly unfounded that it would normally be seen by us as just a typical irrational attack by some myopic representative of big business.

"Coming, however, from the prime minister, we view it most seriously as a dangerous and inflammatory statement." McCleod said the issues taken up by trade union movement related to long outstanding entitlements of workers.

The people's national movement government last year faced protest action from various trade unions representing government-paid employees over the non-payment of outstanding monies.

McCleod said the union representing public sector employees never demanded that the two billion dollars (one TT dollar = 23.5 U.S. cents) owed should be paid in one tranche. He added: "However, like any creditor, we demand and are entitled to a clear agreement on the schedule of payment of the debt. The government as debtor has refused. (Finance) minister (Wendell) Mottley says he will deal with it in '94.

"If you were to tell the bank that, they would sell your house. The only action open to the worker is to protest. If this is what the prime minister is threatening us about, then we will have to call his bluff because we will not be intimidated into the non- defence of our members. "We shall continue to militantly oppose those policies and actions of the government that we know to be inimical to the national interest."

El Salvador

Ponce Terms Ad Hoc Commission Report 'Unfair'

PA1201211493 San Salvador Radio Venceremos Network in Spanish 1800 GMT 12 Jan 93

[Report by Amalia Alejandro]

[Text] Today we went to Camino Real where a conference on reconciliation, organized by the Attorney General's Office, is being held. We were able to talk with Defense Minister Rene Emilio Ponce who discussed the Armed Forces purge. He said the report by the Ad Hoc Commission was very unfair. He said that not all the work done by the military has been taken into consideration.

He added that if there is no other alternative to delay the process, then the Armed Forces will go by all the decisions made by the government, jointly with the United Nations, and the Farabundo Marti National Liberation Front [FMLN].

Let us listen to Gen. Ponce's remarks with regard to the purge:

[Begin recording] [Ponce] The Ad Hoc Commission's report does not mention the reasons for its recommendations that specific Armed Forces members be dismissed or transferred. Likewise, the correct process was not implemented, meaning the officers were not given the opportunity to defend themselves from the charges against them. The latest report says those mentioned on the list are not capable of adapting to Salvadoran society's new democratic life and peace. That is not true. I think what the Ad Hoc Commission did is somewhat unfair. It let political issues influence its decision.

[Alejandro] [Question indistinct]

[Ponce] I think everyone must understand that stability is the most important thing for the nation so we must achieve a firm and durable peace in El Salvador. [end recording]

On 11 January General Rene Emilio Ponce was consulted by the media about the United Nations position and he said he would wait for an official reply from the United Nations before making a statement. The general was somewhat reticent and he tended to avoid discussing the issue. Many politicians and Armed Forces members have also opted not to talk about the issue. The general also said details about dispositions concerning the Armed Forces purge should be given by the government of the republic.

We are also waiting for the FMLN's official position, meaning the joint position adopted by the organizations which comprise it. FMLN Secretary General Shafik Handal said the FMLN leadership will meet on the afternoon of 12 January to discuss the Armed Forces purge.

Furthermore, UN Secretary General Butrus-Ghali has yet to issue a report. All we know is he was not satisfied with the government's proposal. Nevertheless, the FMLN—which has discussed the issue at large—said a meeting will be held to discuss ways to handle the process, even though there is a dispute concerning the purge. Handal also said the FMLN fully supports the UN secretary general. He also said the Ad Hoc Commission report must be respected by the two parties; and they must comply with what the UN secretary general has said.

FMLN Leader Rejects Exoneration of Military

PA1301041893 San Salvador Canal Doce Television in Spanish 0300 GMT 13 Jan 93

[Text] Shafik Handal, general coordinator of the Farabundo Marti National Liberation Front [FMLN], on 12 January affirmed that judging from the response that the UN secretary general has given to the administrative measures adopted by Salvadoran President Alfredo Cristiani, there cannot be any exoneration for 15 military members who remain in the Armed Forces.

UN Secretary General Butrus-Ghali on 11 January said in a letter to the UN Security Council that he has partially accepted the administrative measures that President Cristiani adopted to purge the Armed Forces.

Shafik Handal agreed with the UN secretary in rejecting the fact that 15 Army officers remain in the Armed Forces without being touched by the purge.

[Begin Shafik Handal recording] The UN secretary general said that some [of Cristiani's administrative] measures are in line with what was established by the Ad Hoc Commission, but noted that the measures adopted on a group of 15 officers are not in line with the Ad Hoc Commission's decisions. The UN secretary general has urged President Cristiani to comply with these decisions as soon as possible. [end recording]

Shafik Handal pointed to the period recommended by the Ad Hoc Commission for discharging 102 officers. It is important that none of them is exonerated, he said.

[Begin Shafik Handal recording] If time is extended to the end of this administration or for too many months, this would be equal to an exoneration or to erasing the names of a group of officers from a list, and this is not up to us to do. [end recording]

Shafik Handal slighted rightist sector claims that there is a serious division in the former guerrilla front, especially between him and Joaquin Villalobos.

Guatemala

* CIEN Reports on 1993 National Budget

93CA0035A Guatemala City SIGLO VEINTIUNO in Spanish 26 Oct 92 p 5

[Text] The National Economic Research Center (CIEN) has performed a study on revenues and expenditures specified in the fiscal year 1993 general budget, analyzing priorities and goals.

According to the analysis, which breaks out the budget by program and institution, the operating budget is 4.180 billion quetzales, i.e., 53 percent of the total, 22 percent more than in 1992.

The capital investment budget, it adds, totals 2.1891 billion quetzales, 28 percent of the total and 57 percent more than in 1992; meanwhile, budgeted public debt expenditures are 1.5695 billion quetzales, 20 percent of the total and 10 percent less than in 1992.

This means that in 1993, for each quetzal budgeted for investment purposes, 1.91 quetzales are budgeted for operating expenditures and 0.72 for the public debt.

According to the allocations by institution, priority is given in the operating accounts to the Education Ministry, with 26 percent of the total, or 1.0805 billion quetzales.

The institution showing the greatest change from 1992 to 1993 is the Comptroller of Accounts, which increased its operating budget by 89 percent, or 26.5 million quetzales.

The study indicates that highest priority for capital investment is given to the Communications Ministry, with 42 percent of the total (924.7 million).

The institution showing the greatest change over the 1992 level is the Presidency, with a 353 percent increase in capital investment, climbing to 159.4 million quetzales, of which 72 million are for the Social Investment Fund (FIS) and another 72 million are for the National Fund for Peace.

Expenditures by Group

According to the CIEN, the analysis can be broken down into 10 expenditure groups sharing the total budget. The greatest allocation is to the group of expenditures for financial reimbursements, with a 25 percent share. After that is current transfers, with 23 percent, and personal services, with 19 percent.

Based on the composition of these groups, payments to public employees in the form of salaries and other items represent some 37 percent of total expenditures, excluding capital amortizations of the public debt.

Priority Sectors

As a public expenditure strategy, the 1993 budget defines six sectors as priority, toward which expenditures will gradually be redirected.

These are agriculture, education, health, transportation, housing, and urban development.

To determine what the burden of these sectors has been in the State budget, an analysis was made from 1980 to the 1993 projections.

In the case of agriculture, the proportion of the allocation with respect to the GDP [Gross Domestic Product] is higher in this decade. The allocation for education will recover to levels that prevailed between 1987 and 1989.

In the case of health, the budgeted allocation is still far from attaining its highest level, which occurred at the beginning of the 1980's. Likewise, the allocation for the transport sector is far from the share it reached at its highest point.

Nevertheless, it is receiving its largest allocation since 1983. Finally, the housing and urban development sectors have received their highest share since 1980.

Social Spending

According to the INE [National Statistics Institute], 59 percent of the population in Guatemala lives in extreme poverty. To fight this and create a strategy to satisfy the needs of the people, social spending is used, which is comprised of the housing and urban development sectors, public health, labor, and education.

However, social spending as a percentage of GDP has declined in recent years. In the previous decade it represented an average of 15 percent, but in 1991 it declined to levels of 3 percent.

This means that for every quetzal generated in the country, three centavos are designated for social spending. In 1993, planned social spending represents 4 percent of GDP (greater than in 1991, but less than that approved for 1992), and 34 percent of the total budget.

According to CIEN analysts, not only is it important to know the amount dedicated to social spending, but also the type of programs to which these resources will be directed.

If one analyzes these sectors, one concludes that social spending does not reach the poorest in an effective form. It is also important to analyze actual disbursements from the 1992 budget, since in the first half only 34 percent of expenditures allocated for social spending had been disbursed. The resources are available, but the capacity to place them is low.

Education

The Education Ministry points to preschool and primary education as priority programs.

The coverage of preschool education is intended to be broadened by 8 percent, compared to 5 percent over the last three years. The goal for primary education is to increase the rate of coverage by 4 percent, the level maintained in recent years.

The increase over 1992 in the estimated real cost per student attending public schools will be 139 percent for pr-school, and 27 percent for primary school students.

Despite the fact that middle level education is not a high priority, that level is slated to have the greatest increase in coverage, 9 percent, compared to historic growth of 2 percent over the last three years.

According to the CIEN, the real cost per public school student is increasing each year. Currently, there are private schools that provide preschool and middle-level education at a lower cost and with better quality than the state average. Thus, the current system of funding public schools must be revised, in order to optimize resource use.

Thus, for the first time the financing of new teaching methods is being contemplated, such as Cooperativa's Primary Rural Education Program, with 17.1 million quetzales, and the Primary Education Solidarity Fund, with 20 million quetzales.

Through the first fund, new decentralized teaching methods will be able to be tested. One form would be to assign the funds according to the number of students attending, without the need for the Education Ministry to have to assign teaching posts.

Institutions could be contracted that today provide education, or parents could be grouped together to let them receive the funds to contract a teacher to educate their children.

It is believed that an allocation of 40 quetzales per month per primary education student (18 percent less than the projected average cost in the public sector in 1993) would be adequate. This program could cover more than 35,000 children.

Health

Spending on the health and social assistance sectors for 1993 totals 785.1 million quetzales, 29 percent more than the amount approved for 1992. The increase in the operating budget is 35 percent, while for capital investment growth is 18 percent.

The 1993 budget reflects greater importance assigned to preventative programs, which include environmental sanitation, epidemiology, maternal-infant care, and social assistance.

These programs represent 30 percent of the sector's budget, a significantly greater share than what was approved for this sector in 1990 and 1991 (15 and 13 percent, respectively).

The budget for environmental sanitation will take up 58 percent of the total investment program. In this sense, the budget's focus is correct; nevertheless, execution of the plan will be ambitious, otherwise the share for preventive programs would only be on the order of previous years.

Finally, CIEN considers it positive that the budget allocation for Technical and Administrative Services is decreasing. The 1991 budgetary results show that this category absorbed 23 percent of the total. In contrast, for 1993 the figure is only 9 percent.

*Social, Public Works Budget Share To Rise

93CA0035C Guatemala City EL GRAFICO in Spanish 2 Nov 92 p 7

[Text] The capital investment program seeks to increase resources to sectors considered high priority, such as health, education, housing and urban development, agriculture, and transportation, for which plans are to reorient expenditures with a view to concentrating budgetary increases in the areas that will permit achievement of these objectives.

The share of these sectors in the total budget is growing from 37.4 percent in 1991 and 41.4 percent in 1992 to 51.6 percent in 1993. The Government points out that "this means that in 1993 more than half the State budget will be allocated to public spending, which has a greater effect in fighting poverty and encouraging the country's economic development."

The Finance Ministry stated that 33.4 percent of budget allocated to these sectors is aimed at education; 21.7 percent to transportation; 19.1 percent to health; 12.7 percent to housing and urban development, including the constitutionally mandated supports to the municipalities; and 7.8 percent to the agricultural sector.

The Treasury Comptroller also insists that next year, "half the budget allocated" for these categories "will be aimed at financing capital investment spending. The reallocation of spending toward priority sectors for economic and social development and improvement in the proportion of operating expenditures to capital investment expenditures allows us to make meaningful progress toward optimizing the existing infrastructure and increasing coverage of the public services."

Regardless of that, it is important to call attention to the fact that the Congressional Finance Committee, headed by Deputy Hector Mayora Dawe (UCN [National Union of the Center]) has changed the course of the study and the analysis of the budget.

Instead of citing Ministers, General Directors, and other officials involved in the management of public funds, who arrived to defend their allocations and ask that they be increased, now he studies the budget project by project. "This will be more positive and will allow us to save time," Mayora said.

* Housing Shortage: 815,536 Families Homeless

93CA0035D Guatemala City EL GRAFICO in Spanish 28 Oct 92 p 10

[Article by Arnaldo Cruz]

[Text] After completing an analysis of the housing problem, which is getting worse day by day, the Institute of Economic and Social Research (IIES) has warned that so long as there is no integrated plan to resolve the crisis, the invasion and occupation of land, public or private, will continue, and it urged the reorientation of housing policy toward financing and assisting families throughout the country.

As causes of the serious problems facing this area, the Institute points to inadequate family incomes; limited financing; the high cost of new construction materials; demographic growth; and the lack of an appropriate strategy to permit reducing the housing shortage.

According to figures from the General Secretariat for Economic Planning (SEGEPLAN), the housing shortfall in 1990 was 863,813 units, with a cumulative annual rate of increase of 52,390, although according to the IIES, the shortfall has already surpassed one million houses.

Annual housing construction is insufficient to keep up with the growth in the number of families, resulting in the increasing breakup of nuclear families who do not have housing, which makes it appear that the problem is intractable in the short run.

With respect to the integrated plan, it should include measures to facilitate the elimination of corruption, as well as intervening in the areas of salaries and prices, seeking the coordination, with respect to the latter, of the regional councils, which will allow the participation of popular organizations.

He indicated that "it is not by closing an institution (specifically the BANVI), or changing its name that the situation will improve or be resolved. The strategy should be directed toward seeking areas affecting housing, permanent and accessible financing, and direct, constant assistance to families with respect to regulations and procedures and the use of materials, in order to reduce construction costs."

Guatemala: Housing Shortage

Years 1985-2000

Year	Families w/o Housing	Annual Family Growth	Annual Production	Cumulative Shortfall
1985	595,401	44,748	2,810	637,339
1986	637,339	46,352	4,017	679,674
1987	679,674	47,844	4,040	723,478
1988	723,478	49,348	4,084	768,762
1989	768,762	50,863	4,089	815,536
1990	815,536	52,390	4,113	863,813
1995	863,813	284,776	20,933	1,127,656
2000	1,127,656	320,096	21,561	1,426,191

Source: General Secretariat for Economic Planning (SEGEPLAN)

Honduras

New Navy Commander Assumes Post

PA1301044493 San Pedro Sula TIEMPO in Spanish 9 Jan 93 p 13

[Text] Puerto Cortes—Navy Captain Bruno Giordano Fontana Hedman on 8 January assumed his post as commander of the Honduran Naval Forces.

The ceremony, which took place at the naval base located in this port city, was presided over by Luis Alonso Discua Elvir, the commander in chief of the Armed Forces, along with President Rafael Leonardo Callejas.

General Hector Castro Cabus, the commander of the Honduran Air Force, civilian authorities, and special guests were also present.

Fontana Hedman received the colors from Gen. Reynaldo Andino, the former commander of the Navy and current chief of the Joint Chiefs of Staff.

After the new navy commander received his command, his friends, masters, and officers baptized him in traditional naval style by throwing him off the dock into the sea.

It was pointed out that this is the first time in the history of the Navy that the Armed Forces commanders have appointed a vessel captain who only has naval base experience, and has never served with any other branch.

Since he began his military career, Bruno Fontana never left the Honduran Navy, and completed his studies abroad.

President Converts Air Base to International Airport

PA1201222693 Tegucigalpa EL HERALDO in Spanish 12 Jan 93 p 29

[Text of agreement No. 000018 issued by President Rafael Leonardo Callejas in Tegucigalpa on 11 January]

[Text]

The Constitutional President of the Republic

Whereas: The constitutional president has the duty of managing the state and his duties are those granted to him by the Constitution and the laws.

Whereas: The civil aeronautics law, among others matters, orders: That for an airport to have an international status, the Executive Branch has to declare it as such and it has to be fitted with the necessary installations to provide international service in accordance to the recommended international norms.

Whereas: The "Colonel Jose Enrique Soto Cano" Air Base [Palmerola Air Base] has adequate equipment and installations to service international flights.

Whereas: Declaring the "Colonel Jose Enrique Soto Cano" Air Base an international airport of joint civilian and military activities and authorizing it to carry out import and export commercial operations indicates a high degree of development for the country.

Therefore:
Using the authority vested in him and to implement Article 245, Nos. 1, 2, and 11,248 of the Constitution and Articles 6, 49, 63, 70 of the valid civil aeronautics law,

Agrees:
First: To promote the "Colonel Jose Enrique Soto Cano" Air Base to the level of an international airport to be used to ship import and export cargo and also as an alternate airport to serve national and international passengers at a later date.

Second: The operations of military aircraft on the national airstrips located in traffic control areas or in civilian airports will be subject to the air traffic regulations contained in the civil aeronautics law and regulations.

Third: The "Colonel Jose Enrique Soto Cano" Air Base will be subject to the control, inspection, and surveillance of the state and will be managed in observance of the civil aeronautics law and regulations.

To be promulgated:
[signed] President Rafael Leonardo Callejas Romero
Mauro Membreno Tosta, minister of communications, public works, and transportation

Nicaragua

Decree Establishes Tax on Luxury Goods

PA1201200793 Managua Radio Nicaragua Network in Spanish 0307 GMT 11 Jan 93

[Decree No. 7-93 issued by President Violeta Chamorro in Managua on 10 January]

[Text] The President of the Republic, whereas:

1. In recent years there has been an increase in the demand for imported luxury goods, affecting the availability of net international reserves, in other words, foreign exchange, and reducing the level of productive investment;

2. The level of demand for imported luxury goods must be reduced to lower the pressure on foreign currency and exchange rates;

3. The objective of taxation is the redistribution of national income, transferring it from the sectors with the greatest economic capacity to the sectors with less economic capacity. As a result, measures must be applied to transfer budget savings resources stemming from the increase in tax collection to productive credits for the private sector.

Therefore, in exercise of the powers granted by the Constitution, she has issued the following decree for a special tax on the consumption of luxury goods:

Article 1. A special tax is established on the consumption of luxury goods that will affect the value of the first sale and import of the goods or merchandise specified in this decree.

Article 2. The following will be subject to this decree:
A. The first sale of nationally produced or imported goods or merchandise. In this case, the manufacturer or importer will transfer the tax to those purchasing the merchandise.

B. In the import or entry of merchandise, the individuals or companies that bring the merchandise or under whose names the customs operation is carried out.

Article 3. For the effects of this decree:
A. [in Article 2] is understood as any transaction or contract that entails the transfer of ownership or the power to dispose of a material good as an owner; A. will also be understood as the use or consumption that the producer or importer makes of the merchandise produced or imported by him and unjustified inventory shortages. B. [in Article 2] is understood as the entry of any foreign material good.

Article 4. The taxable base of this tax will be:

A. For imported goods or merchandise: the CIF [cost, insurance, and freight] value of the same.

B. For national or imported merchandise sold for the first time, their selling price or agreed upon value.

Article 5. The rates on the merchandise affected by the special tax on luxury consumption will be the following: 25 percent of the CIF value or the selling price of color televisions, video equipment such as VHS, BETA, VCR, etc., sound equipment, more than 11 cubic feet refrigerators, electric washing machines, yachts, grapes, apples, wines, whiskey, champagne, liqueurs, cognac, and other liquors with the exception of rum, vodka, and beer.

The following progressively incremental rates are established for motor vehicles:
A. 10 percent of the CIF value or the selling price of urban and rural vehicles with a CIF value of up to $9,500, distribution vans, panel trucks, and pickup trucks with a capacity of up to 2 tons of cargo;

B. 20 percent of the CIF value or the selling price of urban and rural vehicles with a CIF value from $9,501 to $19,500;

C. 30 percent of the CIF value or the selling price of urban and rural vehicles with a CIF value from $19,501 to $29,500;

D. 40 percent of the CIF value or selling price of urban and rural vehicles with a CIF value of $29,501 or more, trailers and semitrailers for housing, recreation, or other purposes.

Article 6. The commercial importers who have paid the special tax on the consumption of luxury goods when they entered or imported their merchandise can credit to themselves the amount of the special tax on the consumption of luxury goods that they charge or transfer to the first purchasers or buyers. In the case of direct importers without commercial purposes, the special tax on the consumption of luxury goods paid to customs at the time of the entry is definite and is not creditable.

Article 7. This tax will be paid in the following way:
A. In the import of the established goods, prior to their import or departure from the customs installations;

B. In the first sale, through the declaration and payment within 15 days of the subsequent month in which it was transferred or withheld.

Article 8. The tax will be administered and supervised by the Directorate General of Revenue and collected, in the case of imports, by the Directorate General of Customs.

Article 9. The Finance Ministry is empowered to issue ministerial resolutions for the implementation of this decree. The goods or merchandise which, being subject to the payment of this tax, do not pay it in the manner established in Article 7 of this decree will be the object of the application of the customs contraband and tax fraud laws. The taxpayers subject to the payment of this tax who do not pay it in the manner established in Article 7 of this decree will be punished in accordance with the customs contraband and tax fraud laws.

Article 10. Anything not covered in this decree will fall under common tax laws, the law creating the Directorate General of Revenue, other tax provisions, and, if necessary, common law provisions.

Article 11. This decree will enter into force upon its publication by any mass media without detriment to its subsequent publication in LA GACETA, the official newspaper.

Issued in the Presidential House in Managua on 10 January 1993.
[Signed] Violeta Barrios de Chamorro, President of the Republic of Nicaragua

Decree Establishes Tax on Vehicles

PA1301015693 Managua Radio Nicaragua Network in Spanish 0303 GMT 11 Jan 93

[Decree 6-93 issued by President Violeta Barrios de Chamorro in Managua on 10 January 1993]

[Text] The president of the Republic, whereas:
1. The increase in the number of vehicles circulating has affected the cost of road maintenance and has increased the demand for more roads that are built with imported materials.

2. The increase in the number of vehicles has also caused serious ecological and health problems.

3. It is necessary to issue tax regulations on the ownership of all vehicles, the use of which significantly affects the economy, the environment, and health.

Therefore, in exercising the authority bestowed on her by the Constitution, the president has issued the following decree on taxes to be paid by the owners of vehicles used for transportation.

Article 1. An annual tax on cars and other vehicle is established in accordance with this decree.

Article 2. This tax will be levied on individuals or corporations and national or foreign enterprises that own or use vehicles having to pay this tax. Those assets will be declared and the taxes paid based on a calendar established jointly by the Finance and Government Ministries, in accordance with administrative regulations.

Article 3. This tax must be declared and paid in accordance with the following tariff table:

Automobiles up to 1,200 cubic cm will pay 250 cordobas; up to 1,500 cubic cm: 350 cordobas; up to 2,000 cubic cm: 1,250 cordobas; more than 2,000 cubic cm: 2,500 cordobas; minivans: 400 cordobas; all-terrain vehicles or jeeps: 500 cordobas; buses: 500 cordobas; pick-up trucks of 2.5 tons: 600 cordobas; trucks of 10 to 15 tons: 700 cordobas; trucks of 2.5 to 10 tons [as heard]: 1,000 cordobas.

Article 4. Vehicles owned by the state, government agencies, autonomous institutions, and institutions that must pay taxes according to special laws will pay this tax in accordance with the classifications established in the previous article.

Article 5. The Finance Ministry is authorized to issue through ministerial agreements the necessary measures for the implementation of this decree.

Article 6. This decree abrogates any contradictory law. It will be effective upon publication in any media source notwithstanding its publication in the official gazette.

Issued at the Presidency in Managua on 10 January 1993.

[Signed] Violeta Barrios de Chamorro, president of the Republic of Nicaragua.

UNO Stages Protest March Without Incident

PA1201164393 Managua BARRICADA in Spanish 10 Jan 93 pp 1,10

[Report by Alfonso Malespin Jiron]

[Text] Only 1,000 National Opposition Union [UNO] supporters marched from the Aguirre movie theater to the Pedro Joaquin Chamarro memorial to express their rejection of the new National Assembly board of directors. Organizers had expected 20,000 people to participate.

"We are never going to acknowledge the legality or legitimacy of a board of directors formed by four bukis (Center bloc deputies) and three Sandinists," former National Assembly President Alfredo Cesar shouted.

Several radio stations speculated about the number of participants in the protest march. Radio Corporacion estimated at least 20,000, while international news agencies gave figures somewhere between "several hundred" to "several thousand" protesters.

Activists explained that in addition to the parties that form UNO, other groups participating in the protest march included the UNO union movement, Higher Council for Private Enterprise [Cosep], as well as the Nicaraguan Civic Movement.

The most well known personalities included former Central Bank President Francisco Mayorga, former Attorney General Duilio Baltonado, former [Government] Minister Carlos Hurtado, former [Education] Deputy Minister Hortensia Rivas, former National Assembly Vice President Luis Sanchez, and National Assembly presidency candidate Luis Humberto Guzman.

Managua Mayor Arnoldo Aleman, who only two days ago refused to march from the movie theater, decided to participate and called on President Chamorro to "safeguard democracy."

Vice President Godoy was also conspicuously present. When Alfredo Cesar announced his presence, he stated that "we are here with Virgilio Godoy, president of the Republic." The crowd enthusiastically applauded the use of the title.

Participants also applauded Liberal Constitutionalist Party Deputy Victo Manuel Talavera, Independent Liberal Party Deputy Jaime Bonilla, and National Conservative Party Deputy Denis Pena. Those three deputies are allegedly candidates for positions in the new National Assembly board of directors.

The UNO coalition political council, allegedly called "New Opposition Against the Joint Government" stated that the march marked the successful beginning of a national protest. "All honest UNO deputies are here."

Provocations

There were no disturbances on 9 January, but some provocations did take place. Insults were shouted at the heavily armed soldiers protecting the building near Tiscapa Lagoon, as well as at riot police protecting the National Assembly. The protesters also ignored the prohibition against explosives when they decided to throw firecrackers in front of the Legislative Assembly.

Most of the participants were affiliated with the Nicaraguan Resistance Party [PRN], and they carried placards with slogans describing themselves as "the spearhead of the people." Their delegate, whom no one could identify, demanded UNO's support in obtaining legal status.

Former contra youngsters distributed leaflets about an Opposition Patriotic Unity calling for an "armed insurrection." Rearmed groups announced that they had abandoned a security zone located in Quilali, Nueva Segovia to carry out the saying: "An eye for an eye and a tooth for a tooth."

No Intention of Abandoning Seats

Deputy Alfredo Cesar contended that several trucks carrying more supporters had been blocked on the roads leading to Managua, but workers of the Los Chocoyos farm owned by Dr. Arnoldo Aleman had no problems getting to the rally.

Cesar stated that "the president betrayed the will of the Nicaraguan people and murdered democracy." He announced that "we will not abandon our seats" and will continue to insist until Deputy Luis Humberto Guzman is elected National Assembly president.

Luis Sanchez Sancho, former National Assembly vice president, said the new board of directors is "provisional" and there are positions to be negotiated when the deputies return to the Assembly on 27 January.

During his address, Deputy Alfredo Cesar insisted on the property issue, the dismissal of General Humberto Ortega as head of the Sandinist People's Army, and the appointment of Virgilio Godoy to the position of president when Violeta Chamorro abandons Nicaragua.

Without Food Or Water

While Godoy was stressing that UNO was going to "defend the power of the National Assembly and the people's vote" several of the participants dressed as peasants were trying to get some assistance to obtain food.

Godoy and Luis Humberto Guzman described the participants in the 9 January National Assembly event as "birds of prey," "bullheaded," and 'stupid".

The participants left hurriedly after the protest march ended. An UNO flag was left hanging upside down from a mango tree in the Martir de las Libertades Publicas Plaza while some deputies were being interviewed in English.

FSLN Calls For United Effort in 1993

PA1301041093 Managua BARRICADA in Spanish 10 Jan 93 pp 1, 10

[Communique issued by the National Directorate of the Sandinist National Liberation Front, FSLN, in Managua on 9 January]

[Text] From the National Directorate of the Sandinist National Liberation Front, FSLN, to the people of Nicaragua:

Dear Nicaraguans:
Today, 9 January 1993, a state of law, in keeping with the Constitution, has been reestablished at the National Assembly.

The crisis that affected the legislative body in 1992 as a result of arbitrary actions that undermined the state of law was finally overcome today with the inauguration of a new legislative period in strict compliance with and full respect for the laws and institutions of the republic.

A clear majority of deputies elected and installed those who will now lead this legislative body. Consequently, the democratic process has been strengthened, and the respect that all Nicaraguans owe the Supreme Court of Justice has been ratified.

The FSLN National Directorate makes a patriotic call to all deputies who have not yet returned to the National Assembly to set aside their destructive positions once and for all and join efforts so that the important topics to be listed on the legislative agenda will be those for which most Nicaraguans are clamoring.

It is time to join efforts to overcome the vast social and economic problems such as unemployment, hunger, and a lack of health or education, which generate desperation, frustration, and violence.

It is time to join efforts to design a new economic policy that will guarantee economic growth with employment, production, medical attention, and health care. It is time to solve the property ownership problem once and for all. It is time to pay attention to the chain of violence in northern Nicaragua which has worsened with the murder of farmers and the destruction of cooperatives and farmers' stores.

It is time for the government to pay due attention to the desperate situation of the poorest and the neediest with special support programs in the countryside and in the cities.

The FSLN National Directorate calls on all Nicaraguans, without political distinction, to join efforts so that in 1993 the whole country can move toward stability with jobs, food, and credit for production, but above all with a great spirit of solidarity, dignity, and patriotism.

Free Fatherland or Death

[Signed] Daniel Ortega Saavedra, FSLN secretary general

* Cardinal on H. Ortega, 'Cogovernment'

93CA0041A Santa Fe de Bogota EL ESPECTADOR in Spanish 29 Nov 92 p 3-D

[Interview with Cardinal Miguel Obando y Bravo by Joaquim Ibarz in Managua; date not given; first two paragraphs are EL ESPECTADOR introduction]

[Text] Cardinal Obando y Bravo maintains that General Humberto Ortega is the real strong man of Nicaragua. President Chamorro cannot remove him because "a small Chihuahua dog is not able to quiet a roaring lion."

The Nicaraguan bishops shook Violeta Chamorro's government a few weeks ago when they made public a pastoral letter in which they charged that the country is experiencing a "difficult situation of misery, corruption, and social degradation," that is creating "dangerous disappointment with democracy and its processes" and which could create the temptation to seek a solution to these problems through violence.

[Ibarz] Are the people disillusioned with dona Violeta?

[Obando y Bravo] The episcopacy is made up of pastors who always try to be respectful to the authorities, but who must act for the good of the people. There are many problems that are reflected in the pastoral letter: unemployment, corruption, violence, robberies, hunger. The problem is serious, as it leads to social disorder. We bishops said that, because of so many negative conditions, the people are crying out for the changes that were promised, not only in social and economic policy, but also...in the composition of the government. We see with sorrow the situation of growing misery in which increasing numbers of the population are living. As pastors, we sounded the alarm.

[Ibarz] In the pastoral letter, the episcopacy said that the economic adjustment increased unemployment, while "new groups of the privileged arose and corruption spread." How serious is the social situation?

[Obando y Bravo] We are in an extremely bad situation because of unemployment, low wages, and little investment due to a lack of confidence. The government has to give work to those who were with the "contras," to those

discharged from the Army, to those who returned from exile. It must make an effort to take care of these people. Dona Violeta took over a country in ruins and with very serious problems. Throughout her administration, there have been strikes, provoked by the Sandinists, that prevent recovery; there are riots, town halls and radio stations burned down, streets blocked off, work stoppages every day.

[Ibarz] Was the popular vote thwarted by cogovernment with the Sandinists?

[Obando y Bravo] As a pastor, I should use ecclesiastical language. The politicians say that there is cogovernment. Through my daily contacts with the humblest, I believe that the people see that poverty and unemployment have not been solved. They blame this on the government's ties with the Sandinists. I am not saying that a cogovernment exists, but there is, at the least, a very close union with certain sectors of the Sandinist movement. This is what I understand from the people...and this is what the people feel. I see that the people reject this union of the government with the Sandinists. There is very great opposition to it. The people believe that unemployment, want, the lack of hospitals, of homes, is a result of that collaboration. They feel that no one is investing because of a lack of confidence. This is what most of the people believe.

[Ibarz] Do you think so, too?

[Obando y Bravo] As a pastor, I believe that the people voted to remove the Sandinists from power, thinking that the situation was going to change for the better...especially in the economic area. No one doubts that times are very difficult, not only for the poorest. They cut off some of my telephones because we could not pay the bill. They say that I owe 14,000 cordobas (approximately $1.9 million). People are experiencing many, many difficulties.

[Ibarz] Does this government need more authority and leadership, as well as better application of the laws?

[Obando y Bravo] I believe so. This is what we bishops said in the pastoral letter. It is easy to criticize, but in practise it is hard to govern. The government must show it is strong in order to maintain order. The situation becomes complicated if the government has no instruments to maintain it.

[Ibarz] What do you think of General Ortega's pronouncement, that he is not going to step down until 1997, and that he will not tolerate further reductions of the Army or of the military budget?

[Obando y Bravo] The Church hierarchy should not involve itself in party politics. If it did, it would divide the community. The Army should be nonpolitical. If the constitution prohibits the military from making political pronouncements, it should obey. We are not prohibited from entering into politics, but the Church believes it advisable not to become involved. To be honest with you, I believe that General Ortega is the strong man of Nicaragua.

[Ibarz] Is it he who commands in Nicaragua?

[Obando y Bravo] If he does not command in everything, he has much power. It can be said that he commands. And he will leave the command of the Army only when he wishes.

[Ibarz] Dona Violeta has no power to remove him?

[Obando y Bravo] I do not know whether she can remove him. Although the constitution says, as the supreme commander of the Armed Forces, she can remove him whenever she wishes, one thing is "de facto" and another is "de jure." Some things are matters of fact, and others of law. Legally, she can remove him and she has every authority to do so. In practice, I do not know if she can remove him. "De jure," she is the supreme commander of the Armed Forces; "de facto," I do not believe she can remove him.

[Ibarz] She cannot remove him because he would not obey the order to step down?

[Obando y Bravo] If a very powerful lion is roaring and a little Chihuahua dog comes along and barks at him to make him move aside, do you think that the lion would move?

[Ibarz] Was it a mistake not to have removed General Ortega when the president took office?

[Obando y Bravo] That is in the past. Right now, the general is the strong man.

[Ibarz] Vice President Virgilio Godoy says that the paralysis of the Assembly by the executive is leading the country toward a dictatorship. Do you think that Nicaragua is on the road to dictatorship?

[Obando y Bravo] Fujimori made a coup against the Congress. Here, at least "de jure," there has been no coup against the Assembly, but their resolutions are not recognized. These are serious problems. It is a grave situation when the Assembly's resolutions are nullified. The division and separation of powers is indispensable. In Nicaragua, he who has the rifles commands. It is not as in other countries, where power is distributed between the executive, the legislature, and the judiciary. In this country, the man with the weapons is the one who steers the ship.

[Ibarz] Did it disappoint you that the government did not return the properties that were confiscated or stolen by the Sandinists?

[Obando y Bravo] I understand the government's problem when there are poor people involved, who were given a tiny piece of land on which to build a hut. That

cannot be touched. But the people who unjustly appropriated thousands and thousands of hectares, mansions, and all kinds of property, should return them. Justice must be done.

* H. Ortega Said Source of Country's Ills

93CA0041F Managua LA PRENSA in Spanish 26 Nov 92 p 14

[Commentary by Moises Hassan]

[Text] Two and a half years after the decision was imposed on the president of the Republic not to make changes in the Army high command—and especially not to remove its commander in chief—the country's economic, social, and political conditions have continued in open and rapid deterioration. The Nicaraguan people—who eternally pay for the outrages of the politicians in power—are being pushed each day ever closer to the edge of desperation. It has been argued endlessly that the presence at the head of the Army of Mister Humberto Ortega and his followers constitutes the principal barrier to be destroyed in order to free the creative energy and the healing force—both severely tested—of the Nicaraguans, and to begin the enormous task of rebuilding, morally and materially, the nation's society. I doubt very much that many people who in good faith—that is, not defending strictly personal interests—reject this argument. Nevertheless, I believe it useful under present circumstances to present a compact synthesis of the main arguments used by those who advocate the removal of the military commanders. By doing this, I hope to show that this demand is not capricious, it is not the result—as some claim, in order to discredit it—of purely emotional considerations, nor is it, essentially, what people who are experts at inventing names in order to stigmatize them have called a desire for revenge.

In fact:

1. As long as Ortega and others continue at the head of the Army, there is no hope that it will be disbanded. In what can only be interpreted as a new threat to the peace of mind and the pockets of Nicaraguans, there is talk about its modernization and professionalization, that there will be no further reductions, and that the Army's presence is the only guarantee against chaos. Instead of that, what the overwhelming majority would like to have seen, at least two years ago, is a plan and a program that gradually—in four years at most—incorporate into civil life each and every member of the Army. Such a plan is perfectly feasible: the Army is known to have about $43 million for this year from the national budget alone. If we add to this the income that the EPS [Sandinist Peoples Army] receives in its unusual, illegal, and privileged character as transporter, landowner, contractor, arms vendor, import-export operator, merchant, owner of the best clinic-hospital in the country, collector of fines, and no one knows how many other businesses, the previously mentioned sum can be doubled, at least. In addition, it has its military organization, with excellent and abundant physical and technical installations scattered throughout the country. With these resources, the Army provides technical training for about 25,000 men and women. By way of comparison and contrast, the Ministry of Education has a budget of about $56 million to take care of a million students and to pay about 30,000 employees. Any comment is superfluous. This type of project is clearly of no interest to Mister Ortega, as its final result would be to produce useful and capable men, who would be able to earn their own way. It is preferable, therefore, to put them out on the streets, with some money in their pockets, turned into dependent persons, in the belief—not totally erroneous—that they would answer an eventual call from their chiefs, however reluctantly, out of need if not conviction. Summing up: as long as Ortega continues in command, there will be no dissolution of the Armed Forces. They will continue to waste and subtract resources that are vital to the development of the country, and there will be a floating population of Nicaraguans, knowledgeable in the use of weapons, and living in economic and social conditions that will turn them into potential instruments for unscrupulous manipulators. The ingenuous statement by madam president, that the EPS with its 16,000 men—even if this figure is correct, she has no way of knowing it—is the smallest in Central America, offers no consolation: it should be remembered that the military dictator, Somoza, never had more than 10,000 men under arms, in conditions in which the economy—at least that of exports measured in constant dollars—was about 10 times stronger.

2. The continuation in their positions of Ortega and his associates grants unexpected validity to the statement by his brother that he would govern from below. It is certainly Mister Humberto Ortega's government from above that guarantees the survival of his brother's misgovernment from below, the two separated by a much abused buffer: the humiliated executive branch. It also guarantees that the remnants of the Front cannot be converted into a party, in the civilized sense of the word, and that preeminent within it are those groups that act most openly at the edge of the law, with the impunity gained through coexistence with the authorities. It guarantees that there continue to be hundreds and hundreds of thousands of Nicaraguans who say that they are cheated, mocked, used, and therefore ready to confront, with all the means at their disposal, the absurd situation that is being imposed upon them. It guarantees the political, economic, and social instability that has been sinking its claws into the defenseless flesh of the poorest Nicaraguans. That there be no investment, will to work, confidence, hope. That there are still too many who believe reconciliation to be possible, by itself, without justice. Who are betting on submission.

3. The EPS high command, led by Mister Humberto Ortega, has demonstrated beyond any doubt an absolute lack of respect for institutions, laws, and persons. An attitude heavy with autocracy, arrogance. They cannot but be fresh in the memories of Nicaraguans, deep impressions must have been caused by:

a. The murders of the youths, Jean Paul Genie and Mauricio Aguilar, and the subsequent cover-up at all costs of the perpetrators by the resplendent general, an accomplice, shamelessly converted into judge and interested party, a macabre mockery of justice and human sorrow.

b. The public and open threats to the National Assembly at the end of December 1990 expressed by the EPS high command, declared objective: to coerce the legislature to approve the budget demanded by the military establishment.

c. The promulgation in January 1991 of the shameful Military Organization Law which Mister Ortega effected, brazenly taking advantage of the Assembly's recess, by making use of the clearly subjugated executive branch. All debate was thus avoided and ,with a single stroke of the pen, the minister of Defense was turned into a mere messenger between the president and the Army commmand, the Army commanders turned into businessmen who simply take "their" profits and "their" capital from the public treasury, and the military organization into the private property of the great chief-in-perpetuity.

d. The gifts bestowed by Mister Ortega, with prodigal hands, to his family, to others, and even to a neighboring country, certainly richer than ours. These gifts were neither candies nor bonbons: we are talking about houses, mansions, luxurious vehicles, and machinery. Nor were they the personal property of the splendid donor, who never previously possessed wealth, and who presumably lives on a small salary. Of 1,900 cordobas monthly, to be exact.

e. The murky sale of arms, property of the Nicaraguan state, to countries in South America. No one knows the scale of the operation—carried out behind the back of even the Ministry of Finance—or the destination of the proceeds of these sales. The only thing certain is that the head of the Army—as is his custom—acts as though he were the owner of the country and everything in it, and no one knows of a single Nicaraguan, outside his narrow circle, who has benefitted from these shady and troublesome transactions.

f. The clear, familiar, and brutally expressed message that was left ringing in the nation's pained ears after the recent appearance of the Army high command, led by their chief. The memory painfully made its way through our minds—a wound that we wished already healed. And that grotesque: I am not going, and they are not making me! brimming with braggadocio and contempt that this vulgar general was pleased to throw at us—gone, nevertheless—violently exploded again in our faces. Sad and humble—worse yet, worrisome—was the position of the president of the Republic, whose public reproach: "I believe that this time Humberto talked too much," was followed by a communique in which, far from defending the institution of the presidency, the king surrendered tamely to an implacable partner who is not pleased to allow any confusion when it comes to making clear who is really in charge.

The events set forth here are sufficient, in my opinion. It is not necessary to go on at greater length to demonstrate beyond any doubt what was asserted at the start.

This man, for whom there are neither institutions—except the EPS, which after all is himself—nor laws, cannot be at the head of the country's Armed Forces at the precise and crucial moment in which the country presumably is in transition to democracy and respect for institutions.

He, who trampled on the will of the Nicaraguans for the sake, exclusively, of preserving his miserable and illegitimate personal privileges, cannot raise himself up as the leader and guarantor of a process that is totally alien to him, that is odious to his very nature, that causes every fiber of his being to tremble in disgust and apprehension. It cannot be expected that someone, who found in the anachronistic life of the military organization the way to satisfy his most optimistic dreams of economic magnificence and political hegemony, will search for solutions to the tragedy that his caprices have helped in an important measure to impose on the lives of the defenseless and unhappy masses.

The Nicaraguan people, especially the decent military personnel who exist silently in the Army, to which they were attracted by the frustrated ideals of the political parties, and the powers of the state—the president of the Republic has an especially important responsibility, face the historic challenge and the unavoidable obligation to gather their forces and to beat back those who, springing up like phantasmagoric creatures from the mists of the past, obstinately persist in keeping the gates of the future closed to new generations of Nicaraguans. I am certain that we will know how to comply with the sacred duty that history has imposed on us. That we will know how to open those gates widely. That, yes, we will enter. We will cross the threshold. To the future.

* Regrouping of UNO Coalition Supported

93CA0041E Managua LA PRENSA in Spanish 26 Nov 92 p 14

[Editorial reprinted from AVANCE, official organ of the Communist Party of Nicaragua]

[Text] Recent events in national politics, particularly the statements made by Doctor Silvio de Franco following his irrevocable resignation as president of the Central Bank, confirm what the great majority of the people know and discuss: Antonio Lacayo and Humberto Ortega command in Nicaragua.

Despite that obvious truth, the attempt to deny the existence of a cogovernment continues. The leaders of the FSLN [Sandinist National Liberation Front] deny it whenever they can, claiming that "a cogovernment has

very clear rules, agreements are signed between two or more parties, a political program is prepared, and positions of responsibility in the government are distributed in order to carry out certain economic, social policies, etc.," just as Doctor Sergio Ramirez Mercado expressed it recently.

But the reality in Nicaragua is worse. The cogovernment is not one in fact. It brings disadvantages to the executive and political gains to the FSLN, which enjoys organic independence and freedom of action regarding the government, in order to destabilize it, whenever the policies that the government pursues do not coincide with the FSLN's momentary interests.

This state of affairs has its origin in the Protocol of Transmission, popularly known as the "Protocol of Transition."

The electoral results of 25 February 1990, an unquestionable rejection of the FSLN's more-of-the-same policy, are a real strength for the new government, with sufficient decisiveness, to have proceeded to formulate clear rules of the game, as well as a cabinet with full political authority to carry out the mandate of the people: "UNO [National Union of Opposition] can do it, the change is going ahead."

However, the team that gathered around the president did so behind the backs of the people. Distanced from the UNO and the UNO program of government, it erred in its interpretation of the origins of the victory and of the intrinsic meaning of the electoral result. It lost its direction and all its authority when it separated itself from the real motivating forces of the process. It also proceeded to help the opposition, and to tenaciously exclude the political parties that made the widow of Doctor Chamorro Cardenal their candidate and elected her president.

The UNO's electoral victory was a surprise for the sly and eternal optimists. After the twists and turns which are natural to their character, which explains their attitude toward the cogovernment, they fell all over themselves flagrantly changing sides. Other groups continued their old practice of making use of power for the division of the booty of the state. All of this was exploited by the FSLN leadership, which has much experience in these matters, acquired during 12 years of unopposed state control, of infiltration, division, corruption, and the utilization of little groups with delusions of "party."

"Politicians" of the eleventh hour have undoubtedly contributed to this "task," and have accommodated to the cogovernment.

If the president, in blind obedience to the personal interests of her son-in-law, decides to continue to shun the political forces that brought her to the presidency, and the program under which she ran during the electoral campaign, she will still not be able to cancel the number one mandate of the people, deposited in the ballot boxes: remove the Sandinists from power.

But this is not to say that we voters should wait passively for changes to be handed down from on high. The democratic process, much more arduous, responsible, and heroic than the guerrilla myth and the martyrology of past decades, which have made us pay very dearly, presents us with a stimulating challenge: to regroup ourselves better and in greater numbers in the UNO coalition, to mobilize and move toward the definitive solution to the political problem and to the national crisis.

The political parties in the UNO have been and are the brain, the genesis, the strength, the courage, and the driving force of the democratic and national struggle against the Sandinist regime. This extraordinary and select group of historic struggle constitutes the conscience of Nicaragua's democratic and progressive future. That is where the real hope lies for the aspirations and progress of the people.

* Editorial Cautions Against 'Excessive' Criticism

93CA0014D Managua EL NUEVO DIARIO in Spanish 21 Nov 92 p 4

[Text] We do not know whether it is because of an excess of political zeal, or simply to attract attention (with tough competition) among the sectors of the population most affected by the government's economic measures, certain Sandinist commentators adopt attitudes, surely without meaning to, that are close to those of the extreme right.

If there was no criticism during the last decade, it must be recognized, today the tables are turned. There is an almost unhealthy criticism that corrupts the worthy aim of making amends for injuries when events from our internal daily political life are made public, subjectively and, especially, allow us to use the term, without making truly constructive criticism.

It would seem that each step and each word taken or spoken by the leaders of the Sandinist Front must be consulted and, in the event that an agreement or accord is reached with the opponent, it must count on the prior approval of those in charge of commenting on the news.

We prefer that it is an excess of zeal (because of past deceits?) that motivates these negative attitudes that, in the end, only serve to help the enemies of the people and of the revolution, causing damage that, in certain circumstances, could be irreparable.

We support well-taken criticism (without claiming to be perfect), and our daily work confirms this. This is why it pains us to see obsessive and emotional criticism that accomplishes nothing or that, in the end, leads to the self-destruction of the principle political force in our country.

Much has been done to eliminate rule from the top, and we do not doubt that more progress must be made, but we must do so within correct limits, so that the cure is not worse than the illness.

The union movement led by the FNT [National Workers Front] has acquired commendable maturity, correcting past errors, and it has undoubtedly obtained the decided support and trust of the workers, based on its independent actions. But this does not mean that it must cut itself off completely from contacts with the political leaders, because this would mean a narrowing of its perspective, which must be broad in order to resolve the problems facing the nation.

Politics is not sticks and stones.

* Former EPS Soldiers View Social Issues

93CA0041B Managua EL NUEVO DIARIO in Spanish 1 Dec 92 p 4

[Commentary by Francisco Javier Reyes Romero, former first lieutenant of the Sandinist Peoples Army (EPS)]

[Text] The comrades who successfully completed a 29-day hunger strike a few months ago deserve our recognition, respect and admiration. They have given us a great example.

The agreement reached provides, in essence, that the government will have completed handing over the urban lots by December. The government's insistence that we are limited in our freedom of expression, as though receiving the urban lots had solved our problems, worries me greatly. Those who think that the lots have resolved our problems of employment, food, health, education, housing, and another 300 problems that I include in a simple etc., are either ingenuous or are daydreaming.

Our problem is much greater, and comes from the need for the government to be responsible, and satisfy our need for jobs, because only with steady and permanent jobs can we feel secure about the future of our families.

A time bomb has been activated in Nicaragua, and its fuse was lit when national and international politicians, believing themselves to be magicians, waved their wands and thought that the war in our country would be ended by demobilizing the active forces that confronted each other in the military struggle.

With a stroke of the pen, they sent more than 100,000 of us into the streets, promising security, jobs, land, financing, foreign investment, etc. They swore by all they held dear that in the future they would help all of us to get ahead.

The resolution of the war amounted to the signing of a pile of papers, handshakes, poses, and smiles for the reporters, and good luck.

Later, a few blue helmets came to Nicaragua and said that the war was over, and that it was time to go home.

The politicians, the UN, the OAS, and a lot of other organizations, acting like comical native dancers [sajurines], "brought peace" to Nicaragua, for which they each deserve three handfuls of medals.

If our problem of jobs is not resolved, the cure is going to be worse than the sickness. Dona Violeta, in the 47th paper session of the UN, described the real and objective problem better than I can, when she said:

"The fields that we have been sowing with so much sacrifice will again become arid soil, fertile only for intolerance, confrontation and totalitarianism."

In another part of her speech, she said, truthfully:

"We have the impression that the international community has not yet become fully aware of what is at stake in some of our countries, liberty is still extremely fragile, and economic and social democracy is still a distant aspiration."

Dark Future

For us, peace is not the end of the war. We are entering our third year of not having peace, of not having work, food, education for our families and for ourselves. Our future is an intense black.

The big brains, the politicians, the UN, the OAS, and all the organizations that ended the war in Nicaragua, now have to find a way to extinguish the bomb's fuse that they lit.

We have the strength, capacity, and will to work, to be successful for our families and for the Nicaraguan nation, but that is not enough. There must be a dynamic economic program for Nicaragua, principally from the United States. The International Development Bank, the World Bank, and the International Monetary Fund must also take part. The problem is there, and the solution is not going to fall from the skies.

Dona Violeta and her entire economic cabinet must establish direct communication with the leadership of those who left the Army and, why not say it, with those demobilized from the Nicaraguan resistance.

The government must provide a real, objective, and lasting solution to our demand for work; we were employees of the government, and we do not care which flag flies beside the national flag today in the president's house. Our needs are clear and objective, the crisis has us with our backs to the wall. Hunger has no politics. This situation must be resolved.

Dona Violeta's biblical phrases in the UN can become the worst nightmare that this country has ever faced. We who know how to read and write are expressing the sentiments of those who retired from the Army, making use of the freedom of expression, which is the only

freedom we have, and [illegible]arn that the bomb is activated. We did not light [illegible]e fuse is short, and only the government can put it [illegible]

Let it be clear that this i[illegible]l form of combat. First we warn you, so that lat[illegible] cannot say that we are extremists.

They taught us in the Army that there is a warning order and an order to execute. We prefer to stay with the first for the good of the nation, but we are going to shout the second with all our might.

* World Bank Report Debated

93CA0041C Managua BARRICADA in Spanish 1 Dec 92 p 13

[Commentary by Alejandro E. Martinez C.]

[Text] In the opinion of the World Bank mission, according to its report published in BARRICADA on Monday, 30 November, the fundamental problems that must be resolved for the economy to grow are:

1) The outdated exchange rate; 2) uncertainty caused by discretionary application of the laws; 3) unclear property rights; 4) physical insecurity; 5) structure of incentives; 6) low productivity; and, 7) excess personnel.

If we assume that the order in which these problems is listed reflects the priority they are to receive, I would have to express my disagreement with the diagnosis, apart from the contradictions present in the reasoning itself.

I. On the Outdated Exchange Rate

The economy did not grow in 1992, but not because the exchange rate lagged behind. In fact, the lag (whatever it might be) is not the problem. The problem has been caused, on the one hand, by deterioration in the terms of trade during the year—due principally to a decline in the prices of our exports. Even more serious, because of an overly rapid opening of our domestic market to foreign imports—recommended by the World Bank—not only has our trade balance suffered, but the capacity for domestic industry to recuperate has been reduced.

Given this situation, it would be a mistake to change the exchange rate to make exports more profitable and to reduce smuggling. This would be to misconstrue the facts.

The World Bank mission does not analyze with sufficient care the fact that the cure could be worse, in a country that has been dealing with the problem of inflationary expectations—in which it has been immersed for so long—for only 15 months. These expectations are still too vivid to assume that a devaluation would remedy the lagging exchange rate, without first risking an acceleration in prices due to those very expectations.

If what they are trying to accomplish with a devaluation is to lower average real wages, which according to some of these organizations are very high, then they are wrong again. They continue to conduct these analyses based on arithmetical averages of wages, thereby missing the problem of wage distribution—and given the distribution of income, the level of most wages is alarmingly low.

A devaluation would weigh more heavily on those wage earners with low incomes, the majority, without taking into account its consequences in political-social terms or its effect on total demand in the country.

II. On Low Productivity

In the way in which productivity is discussed, it would seem that the problem is only one of labor productivity. The report makes no mention of the productivity of capital. I agree that Nicaragua has a problem with incentives for labor productivity, but equally important is that the organization of labor—by the capital sector—is also very deficient. And this has to do with Nicaraguan business culture, highly averse to risk, and which prefers not to expose its own capital in the domestic economy.

The solution to these two problems of productivity cannot be expected to arrive overnight, but requires a great collective effort. This will not be achieved in the present atmosphere of mistrust that prevails in our nation.

III. On Excess Personnel

Again, I believe that to conclude that an excess of personnel exists is very superficial: the problem is not the number but the quality and the failure to train personnel in new ways of organizing work. Therefore, I consider it worrisome that this assertion is made more from a dogmatic perspective than from a real one.

IV. On the Structure of Incentives

The mission's opinion, on the one hand, is that "there is no margin in which to conduct a policy of fiscal incentives," but it recognizes the need to structure incentives. In their logic, the only thing that seems clear to them is the profitability of exports through devaluation, something with which I am in complete disagreement for the following reasons:

a. Margins do exist to carry out a policy of fiscal incentives, as long as the present tax structure is altered, particularly the IGV [general sales tax], advance payments of the IR [income tax] and the many taxes of municipalities, among others. Incentives for reinvestment must be restored by exempting reinvestment from the income tax.

b. It is really absurd to argue that interest rates are not maintained artificially, and that a quantitative restriction on credit levels would appear not to exist, because the supply of credit is not being fully utilized. With this reasoning, they have completely digressed and have

lapsed into a disquisition on the order of which came first, the chicken or the egg.

Present interest rates are not only too high, they also introduce an element of distortion into the decision-making process regarding the business goals. The nominal annual interest rate of 19 percent, compared with an anticipated annual inflation rate of 9 percent, is not only too high, but serves as an actual disincentive to production, faced with production and price uncertainties.

V. Conclusion

I concur with the World Bank mission's report in that the decline in the flow of aid is a new challenge to the government's macroeconomic management, but I do not agree with the prescribed remedy, which is an even greater contraction of aggregate demand. I agree even less with the dogmatism with which the economic dynamics of our country have been viewed, and therefore the proposed solutions, as well.

I share the view that property rights and the privatization process are chapters which should be closed immediately, and that it would be best to adopt the principles that they themselves suggested several months ago.

I also agree that it is important to revise the operating costs of the ports. But this is a result of understanding that the Nicaraguan economy is prostrate, and needs to be treated as an "infant industry," while the dogmatism of the remedies so far prescribed never manages to hit the nail on the head.

Panama

PCC, Port Authority Sign Agreement

PA0901020593 Panama City Telemetro Television Network in Spanish 1730 GMT 8 Jan 93

[Text] On 8 January, Jerry Salazar, general director of the National Port Authority [APN], and Gilberto Guardia, administrator of the Panama Canal Commission [PCC], signed an agreement to provide greater security and control for vessels transiting the canal.

The agreement authorizes the PCC to build, manage, and maintain a number of multiple purpose buildings in the dike area at Cristobal Port in the Canal's Atlantic sector. The buildings will be used to support maritime transit.

[Begin Salazar recording] This is very vital because operationally and logistically speaking, the PCC, which will maintain and control the canal in 1999, wants to improve the infrastructure of some buildings in order to give the PCC a greater capacity for ships to operate as they transit the canal or dock at Panamanian ports. [end recording]

According to the agreement, a two-story building with a 120-ft signal tower will be built to accommodate the port captain's offices on the Atlantic side of the canal. It will also have offices for gauging ship tonnage and controlling maritime traffic, and a signal station. The installations will include a small quay for launches and an access road. It is established in the agreement that these installations will be reverted to Panama when the Torrijos-Carter Treaties expire.

Monsignor 'Surprised' by Endara Reaction

PA1301044293 Panama City Circuito RPC Television in Spanish 2300 GMT 11 Jan 93

[Text] Monsignor Romulo Emiliani, the vicar of Darien, has said that President Guillermo Endara's reaction to the church's statements regarding alleged corruption have surprised him very much.

[Begin recording] [Emiliani] The church will not provide any names because it is not our duty. Those who have the duty of investigating should do so. We are merely reflecting an outcry from the people. The letter reflects the people's feelings saying they have had enough of this generalized corruption. That is the task we have fulfilled as representatives of the church.

[Unidentified reporter] But, do you have any evidence about who is involved in corruption?

[Emiliani] We do not have any evidence because we are not investigators. It is not our job. Our job is to present the moral values, what the people, what we all have to live with. Thus, we have no files or anything of the sort in which to store any evidence about anything because it is not our duty. There are organizations that must work on this. We are not going to accuse anyone particularly. What we are requesting, in the name of the Panamanian people, is that we all put an end to this and confront the problem of corruption.

In Panama, many things did not change after the invasion. Those who are in jail, many of them are guilty of something, but there are guilty persons who will never go to jail in this country. There are persons who have influence and who, before and after the invasion, have continued with their illegal practices. [End recording]

Argentina

Menem Rejects 'Shared Sovereignty' of Falklands

PY1201223193 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2032 GMT 12 Jan 93

[Text] Buenos Aires, 12 Jan (NA)—President Carlos Menem dismissed today any possibility that Argentina might accept a "shared sovereignty" formula with Great Britain over the Malvinas Islands.

Menem said: "It will be full sovereignty, or we will continue to struggle to get it."

Menem referred to the Malvinas issue during an informal chat lasting almost two hours today with reporters accredited to Government House.

During the conversation Menem expressed his conviction that "we will recover the islands before the year 2000." He added that this will be achieved "without a single drop of blood."

Menem revealed that he had conveyed this conviction to Douglas Hurd, British secretary of state for foreign and commonwealth affairs, during the meeting with the visiting British official last week.

Regarding his desire to make an official visit to Great Britain, Menem confirmed that the visit depends on a prior agreement between the two countries on fishing in the South Atlantic.

Asked if there is a project for "shared sovereignty" with the United Kingdom over the islands in dispute, Menem said: "This is a very difficult issue; I prefer not touch it."

But he then said: "It will be full sovereignty, or we will continue to struggle to get it," thus discarding any formula for shared sovereignty to solve the conflict.

Di Tella Notes Changes in UK Relations

PY1201130293 Madrid EFE in Spanish 1904 GMT 11 Jan 93

[Text] Madrid, 11 Jan (EFE)—Argentine Foreign Minister Guido Di Tella said today that there have been "spectacular changes" in the relations between his country and the United Kingdom. He added that it would not be reckless to believe that Argentina will recover sovereignty over the Malvinas Islands before the end of the century.

"In the last few years there have been much more spectacular changes in the world" said Di Tella, referring to the possibility that President Carlos Menem's prediction, that "before the year 2000 we will be on the Malvinas Islands without any type of conflicts," may come true.

In an interview with EFE at the conclusion of a meeting of foreign ministers of the Ibero-American Conference in Madrid, Di Tella pointed out that when negotiations begin with the United Kingdom it will be found that our political influence has increased considerably in the last few years due to the stabilization of Argentine, which can be considered "another European country."

He said: "It is not unimaginable that in a near future Argentina will overtake the United Kingdom in 'per capita' income."

Di Tella said that the recent visit to Buenos Aires of Douglas Hurd, UK secretary of state for foreign and commonwealth affairs, was "another step" toward normalizing relations. He said that although Argentina will increase its number of fishing licenses, this move will not be an obstacle in relations with the United Kingdom even though the measure will hurt the islanders.

Asked how much longer Argentina and the United Kingdom will continue to negotiate without facing the main question about the sovereignty issue of the islands, Di Tella said:" "If it were up to us we would deal with it tomorrow, but the British refuse."

Asked if there is a difference of opinion between the British and the islanders on the possibility to negotiate the sovereignty issue, Di Tella said: "One gets the 'feeling' [preceding word given in English] that their positions are different." He said that the fact that the United Kingdom spends millions [currency not specified] on maintaining military bases in the South Atlantic islands may influence their position."

He added: "Without a doubt that expense hurts the British more than the islanders."

Regarding the Ibero-American Conference held in Madrid, with the participation of the foreign ministers of seven countries and representatives of the other 14 member countries, Di Tella said that several concrete projects were discussed and that a decision was made to extend to the Dominican Republic and to Paraguay an adult education program that was implemented in El Salvador this year.

Di Tella believes "it would not be a bad idea" if Cuba were to join the conference despite its completely different political system. He added, however, that "the presence of the Cubans could also hinder" the operation of the conference.

Di Tella also noted that there are people at the conference who believe it is an interference to talk about human rights in a country but "we, like others, believe it is not an interference but an obligation. We reiterated this here and in other meetings."

Di Tella was planning to meet this afternoon with Spanish Foreign Minister Javier Solana. He told EFE that two of the important issues they will discuss will be the Uruguay Round of GATT and the fishing agreement recently signed by Argentina and the EC.

Di Tella told EFE that a "final no" in the Uruguay Round is inconceivable because an agreement is "crucial for the world."

Tomorrow he will travel to Paris to sign an international agreement condemning chemical weapons. He said that the coming of Bill Clinton to the White House will not bring any changes in the U.S. relations with Latin America.

Di Tella commented on the need for the member countries of the Mercosur [Common Market of the South] (Argentina, Brazil, Uruguay, and Paraguay) to sign a free trade agreement with the United States. He said that the easiest thing from the formal point of view would oe to extend the treaty signed by the United States, Canada, and Mexico to the southern bloc.

CNEA Chairman Discusses Finances, Uranium

PY1201211793 Buenos Aires TELAM in Spanish 1157 GMT 12 Jan 93

[Text] Mar del Plata, 12 Jan (TELAM)—Manuel Mondino, chairman of the National Atomic Energy Commission (CNEA), has stated that the CNEA is self-financed thanks to the "effective handling of its budget."

In remarks to the local newspaper LA CAPITAL, Mondino said that the CNEA's self-sufficient operation had been possible since electricity sales, representing approximately "17 percent of the overall energy consumed in the country," had begun.

According to Mondino, "the lack of a budget is the favorite justification used by many officials for not doing anything, and in this I am a true Prussian. Many things can be done without a budget."

He said that the state participates in the CNEA "only in the contribution of resources for the great projects such as Atucha-2 and Heavy Water, which have already been concluded and will be dedicated by mid-March."

He said that "some companies which were in deep comas are now being privatized," but he differentiated the CNEA because "it was never in a deep coma; it has never even had the flu," Mondino added.

Moreover, he said that the discovery of the "Cerrosolo" uranium deposit is "one of the nicest things I can show from my administration." He recalled that "during the first stage" 6,000 tons had been exploited, corresponding to "only one of the three existing veins," which is sufficient to keep the nuclear plants functioning for another 60 years. Stressing the importance of the finding, he said: "We have two more veins to exploit."

He also denied that Malargue is a nuclear waste dump. He said that "the debris left over from exploitation is there" and that "appropriate measures are being adopted for its transportation."

He explained that this concerns a "deposit of debris left over from the exploitation of uranium from Malargue, which must be submitted to treatment but which hasn't been because it is dangerous." He added: "This Malargue issue is simply 'noise' raised by a couple of radical [Radical Civic Union] deputies who later admitted they had been badly informed by their advisers."

Agreement With Spain To 'Recycle' Missiles

PY1301024093 Buenos Aires CLARIN in Spanish 12 Jan 93 p 4

[Text] Argentine Foreign Minister Guido Di Tella and Spanish Foreign Minister Javier Solanas yesterday in Madrid reached an initial accord on signing a convention on space cooperation between the two countries, which will provide the legal umbrella for an attempt to recycle the Argentine medium-range Condor-2 missile for peaceful purposes and, if not, destroy it.

During a recess of the summit of Ibero-American foreign ministers, Di Tella and Solanas reviewed the details of an agreement that the National Space Activities Commission (CNAE) and the National Institute for Aerospace Activities (INTA) will sign based on the standard agreement they signed last year.

Sources close to Di Tella disclosed to CLARIN that the agreement to be signed will permit salvaging the missile's components, which may eventually serve in the construction of a missile for peaceful purposes, such as a satellite launcher. Otherwise, components which may not be recycled will be destroyed, and the Argentine Government will thus fulfill its commitment to Washington.

U.S. Goal

In fact, the U.S. Government's goal was to have the Condor-2 burned, in a public ceremony in Argentina supervised by international observers. This type of action, however, would have hurt the pride of the Air Force, which was the project's mastermind since its inception a few months after the Malvinas war.

The foreign ministers arranged the details for CNAE and INTA to sign the agreement while 14 motors, several guidance systems, and other Condor-2 components have been sailing since 8 January aboard the Navy vessel Bahia San Blas, bound for delivery at the Spanish port of Rota on the Mediterranean Sea.

Strict security measures have been implemented for the non-stop cruise, which will take 14 days.

The Reconversion

Nevertheless, the Condor-2 missile will continue marking Di Tella's tour of Europe. After signing in Paris tomorrow an international agreement to ban chemical weapons, Di Tella will go to a suburb in Paris where he will visit a missile construction plant which, after the agreements between the United States and the former Soviet Union to reduce medium-range missiles, was

reconverted into a factory manufacturing machinery for civilian purposes. Medium-range missiles are those with a range between 1,000 and 5,500 km. Although it was never tested, the Condor-2 was calculated to have a 1,200-km range.

The firm involved is called Futuroscope; Di Tella and his entourage will be visiting there thanks to a special invitation extended by the French Government.

It will not be a casual visit, but involves becoming acquainted with a related experience in order to decide what to do with something much more valuable than the missile motors on their way to Spain: the secret plant of Falda del Carmen, in Cordoba Province.

Details

The plant was constructed like an arsenal. In other words, it is underground, and is surrounded by concentric tunnels designed to reduce the blast wave of any explosion. Argentine technology to produce solid propellant was developed in this plant. Sophisticated remote control equipment to assemble the missile's most sensitive components was installed in this plant. According to Di Tella's cost estimates last year, the plant is worth between "$200 and $400 million."

Since early 1992, when those facilities were transferred from the Air Force to the civilian CNAE, which reports to the presidency of the nation, the plant's scientists and technicians have been transferred to other Air Force units, but the plant's equipment has been neglected and, according to the Association of State Workers (ATE), left without any maintenance.

The government had promised to try to get from the United States, the country exerting the most pressure for the dismantling of the Condor-2, some type of compensation, and the employment of those experts in activities with peaceful purposes. Thus far this has not, however, been achieved.

Brazil

Interview With Foreign Minister Cardoso

LD1201024893 Madrid RNE-1 Radio Network in Spanish 2200 GMT 11 Jan 93

[Telephone interview with Brazilian Foreign Minister Fernando Henrique Cardoso by unidentified studio announcer; place not given—live]

[Excerpts] [Announcer] We now begin the second part of our news program by referring to a summit, or rather a preparatory session for the next Ibero-American summit, which took place today in Madrid, where the foreign ministers from the 21 countries which will take part in this summit met. The last summit was held in our country, you will recall, last July. The next one will also be in July, but this time in Salvador de Bahia. Our country has handed over the baton to the next country to organize it, Brazil. The man responsible for organizing it will be Brazilian Foreign Minister Fernando Henrique Cardoso. Good evening, Mr. Cardoso.

[Cardoso] Good evening. [passage omitted]

[Announcer] In the field of the defense of democracy, it seems the only problem still remaining at present is the situation in Cuba, a situation which our Foreign Minister Solana denounced at the meeting you held. What may happen? What should be done to get Cuba to join the great trend of democratic countries in our America?

[Cardoso] Well, of course Cuba forms part of the Ibero-American group, and that is an important forum because information and influence can be exchanged. I believe the situation in Cuba, especially in terms of human rights, will continue to concern us. Of course, the internal development of Cuba is a problem for Cuba, but I believe that there is an opportunity for Cuba to realize at these forums that there is a very profound change taking place in the world and that they cannot be left behind. It is not a matter of using the forum as an instrument of pressure, in the sense of internal interference, but rather in a positive sense. We are in favor of the conditions for democracy being established, and Cuba is certainly not fulfilling this requirement of the Ibero-American community. So we will be there, talking and trying to bring Cuba to a more open position. [passage omitted]

[Announcer] What do you hope for, what do you want Spain to do to improve relations between everyone and to make the Ibero-American community something real?

[Cardoso] Of course, Spain belongs to the EEC, as does Portugal. I think the two can negotiate in the EEC to the benefit of the interests of those of us who want to maintain active trading contacts with the EEC, in the sense that nontariff barriers must not be formed. On the other hand, there must be a very serious discussion at the GATT level to be able to establish a tariff regime that will allow exports with the greatest freedom. Spain and Portugal have that role, and Spain, which has even greater economic importance, can be a kind of link between the Ibero-American community and the EEC. (?This process) would be very important.

Furthermore, we have already taken steps together at the UN level which have been successful. For example, Spain and Brazil were nominated for the Security Council. All the countries voted in the interests of this community, gave their backing, and both countries were elected members of the Security Council. There is much to be done, things which can be done together to the mutual benefit of the whole Ibero-American community.

Now, when there is a new Democratic administration in the United States, I think it would be very good for us to establish a direct, frank, open dialogue between the Ibero-American countries and the new American Administration, (?there too) raising problems such as what to do with economic and social development, and

to what extent the protectionist tendency will be reversed. For example, in the case of Brazilian steel there has been a unilateral raising of tariffs in the United States. I think that Spain, with Brazil and Portugal and the rest of the Latin American countries, can fight to prevent that from happening again. [passage omitted]

Bahia Governor Magalaes Skeptical About 'Pact'

PY1201214693 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Jan 93 p 4

[Text] Salvador—Bahia Governor Antonio Carlos Magalhaes (PFL—Liberal Front Party) does not believe that the pact President Itamar Franco is negotiating with political parties will be able to solve the country's problems. "The solution of problems does not depend on pacts, but on action," Magalhaes said yesterday at Itaparica Island, where he was spending the weekend with relatives. "All that is just a farce," the governor said.

Allied to former President Fernando Collor to the very end of the impeachment process, Magalhaes announced right after the suspension of Collor that he would form an opposition to Franco, but has so far been cautious for a very simple reason: most of the party's bloc members in Congress tend to support Franco, and the PFL has two ministers in the government: [Communications Minister] Hugo Napoleao and [Regional Development Minister] Alexandre Costa. PFL President Jose Mucio Monteiro (Pernambuco) participated in the meeting held on Friday between Itamar Franco and the 19 parties represented in Congress. The government left the meeting very optimistic, and made assurances that the parties will cooperate in approving a set of projects considered priority and which have been submitted to Congress, such as the fiscal adjustment.

For the Bahia governor, "it seems like a joke" to try to solve the Brazilian economic and social crisis in a meeting with leaders of parties such as Prona [Party for the Redefinition of the National Order], as happened on Friday in Brasilia. "It is the same as asking for support from my adversaries on how to govern Bahia State, to keep hoping this would happen, and let the state economy stagnate," he said.

According to Magalhaes, negotiations are merely a marketing [preceding word in English] ploy. "It is too much marketing and too little action," he said. Magalhaes does not intend to go to Brasilia tomorrow, where all governors must be present at a solemn ceremony at Planalto Palace during which Itamar Franco will send to Congress a new project to reschedule the state debts. The project, which must also be discussed this week, is one of the main items of pact negotiations. Last week Magalhaes did not participate in a meeting between the president and the governors of the northeastern states, either.

Chile

Hurd Discusses Case of Murdered Journalist

PY1201140693 Santiago Radio Cooperativa Network in Spanish 2200 GMT 11 Jan 93

[Report by Mario Contreras]

[Text] Jorge Trivino, attorney for the plaintiff in the case of the murder of British journalist Jonathan Moyle, asked Douglas Hurd, UK secretary of state for foreign and commonwealth affairs, to make the evidence collected in Great Britain available to the Chilean courts.

Trivino met Hurd this afternoon to ask for the cooperation of the British Government.

[Begin recording] [Trivino] I wanted to tell him of my concern that some agencies linked to British intelligence have information about the investigations Jonathan Moyle was conducting. This information is most serious and must be submitted to Chilean courts.

[Unidentified reporter] What type of information?

[Trivino] This information allegedly pertains to some investigations Jonathan Moyle was conducting and the alleged identity of the perpetrators of the crime. [end recording]

Trivino added that Hurd was interested and concerned about the case and took home all the information. Jonathan Moyle was murdered on 31 March 1990 at a downtown hotel in Santiago. He had been probing into an arms deal. The case, which had been suspended for some time, was reopened by Criminal Judge Alejandro Solis.

Concludes Official Visit

PY1201134493 Santiago Radio Cooperativa Network in Spanish 2200 GMT 11 Jan 93

[Report by Carmen Castro]

[Text] Chilean Government officials and Douglas Hurd, UK secretary of state for foreign and commonwealth affairs, have discussed matters pertaining to economic, military, and political cooperation.

Hurd's two-day state visit to Chile concluded today. Before departing, Hurd gave a news conference and commented on some of the issues discussed.

He praised Chile's political system, which he labelled as a smooth transition process that will end with presidential elections next December.

Hurd said that Great Britain and Chile both support free trade, which began with agreements at the Uruguay Round of the GATT. It must be pointed out that Great Britain is an important trading partner for Chile, second only to the United States. British annual investments in Chile amount to $3 billion. Hurd added that this

common ground helps to formulate a common policy on the establishment and maintenance of peace.

Hurd then spoke about the murder of British journalist Jonathan Moyle on 31 March 1990.

[Begin Hurd recording in English with passage by passage translation into Spanish] I discussed with the foreign minister the tragic case of Jonathan Moyle, which is being pursued and investigated here in accordance with Chilean law. I reminded, I told the minister of the continuing and considerable interest which remains in this case in Britain, not just among the family, but among parliamentary and public opinion. [end recording]

Chilean authorities are currently conducting a detailed investigation. Hurd stated that Great Britain will cooperate with Chile on this case. He emphasized that the investigation is in the hands of the Chilean authorities.

The British Government intends to invest 2 million pounds in environmental programs in Chile between 1993 and 1995. This will bolster the Chilean Government's efforts and show the importance both governments attach to environmental problems. The projects currently under discussion include the exploitation of a river basin together with CONAD [expansion unknown] and another possible project on water pollution and treatment in the Copiapo and Salado Valleys. These projects will include training for workers of the Inter-Ministerial Committee for Clean Air and possible studies on the effects of ozone depletion on flora, fauna, and health in southern Chile.

Police Arrest Lautaro Group Members

PY1301014193 Santiago Television Nacional de Chile Imagen Internacional in Spanish 2330 GMT 12 Jan 93

[Text] Investigative Police agents have arrested three Lautaro Group members who were involved in two bank robberies in late December 1992 at the intersection of Providencia and Manuel Mont Street. On that occasion approximately 15 criminals simultaneously robbed Citibank and the Bank of Santiago, taking some 10 million pesos.

The prisoners, two men and a woman, have been taken to the Santiago Forensic Institute for a medical checkup. Two of them have been identified: Eliseo Paulsen Figueroa and Fernando Gonzalez Olivares.

In addition to their involvement in the bank robberies, the police are investigating their possible participation in other crimes such as the murder of [word indistinct] in Las Condes.

PAC To Support PDC Presidential Hopeful

PY1301020393 Santiago Television Nacional de Chile Imagen Internacional in Spanish 2330 GMT 12 Jan 93

[Excerpt] The Centrist Alliance Party, PAC, has decided to support Christian Democratic Party [PDC] Senator Eduardo Frei Ruiz-Tagle in his bid for the presidency.

The decision was reached at a PAC general meeting held at the (Pitague Hotel). Leaders of the PDC and other political parties attended the meeting. The PAC has thus become the first member of the Coalition of Parties for Democracy to publicly come out in favor of the PDC candidate. [passage omitted]

Colombia

Government Minister De La Calle Resigns

PA1201232993 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 12 Jan 93

[Text] Government Minister Humberto de la Calle Lombana tendered his resignation to the president a few minutes ago. The minister sent a four-page letter stating he had fulfilled his term in the ministry and he clearly stated his gratitude to the president for allowing him to participate in important events like the Constituent Assembly sessions. He praised the creation of new institutions and mechanisms in the country, including the Prosecutor General's Office and the states of emergency. He equally praised the Liberal Party's role within the consolidation of the changes required by the country.

[Begin De la Calle recording, in progress] ....the use of limitations or restrictions to people's rights and a detailed configuration of the law which some people believed was excessive. However, we have been careful about details and the establishment of peremptory deadlines because we sought to protect the people's rights. [end recording]

We have just learned the following: Fabio Villegas Moreno will be the new government minister.

Drug Cartels Export 37,000 kg of Cocaine in 1992

PA1201142693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1700 GMT 11 Jan 93

[Text] The Colombian drug cartels sold 37,000 kg of cocaine in 1992, according to drug control authorities. Despite the great efforts made by the Colombian Antinarcotics Police, the drug cartels managed to export approximately 37,000 kg of cocaine in 1992 to international markets, which reportedly resulted in profits of over $300 million for the criminals.

The cooperation of international drug control authorities helped to deal harsh blows against the drug traffickers. The increase in drug consumption in Europe and

Japan—very important markets for the narcotics traffickers due to the high price paid there for drugs—pressured them to use new routes for cocaine trafficking.

Drug trafficking using air routes is becoming more dangerous. Therefore, the traffickers now export using maritime routes.

[Begin Colonel Alfonso Arellano, deputy director antinarcotics police, recording] With the cooperation of the Navy and the support of the Air Force, we are also controlling maritime routes and air space. [end recording]

In 1992, the Armed Forces seized 30,088 kg of cocaine. However, the demand grows every day and the business is becoming more profitable.

Escobar Reportedly Prefers La Estrella Prison

PA1201151593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1700 GMT 11 Jan 93

[Text] According to the media, Pablo Escobar has reportedly demanded to be assigned to La Estrella Prison in Antioquia for his imprisonment. Lida Maria Vanegas went to see the prison and this is what she found:

[Vanegas] The rumor circulating this week that Pablo Escobar had requested to be assigned to this prison in the event he surrenders was an opportunity to realize a dream for Mario Valenzuela and the 12 inmates who are the only prisoners at La Estrella Prison for the time being. They want to meet in person the most wanted man, who is most admired by them. They want to meet the doctor, as they call him.

[Begin Valenzuela recording] He is very intelligent. Ever since I was a child, I wanted to meet him. I keep his pictures from magazines pasted to the walls wherever I am imprisoned. [end recording]

The Attorney General's Office of the nation has denied receiving the alleged letter in which the request was made. The hopes of the 13 inmates of living with Pablo and having all the comforts of La Catedral shattered. Undoubtedly, the inmates at La Estrella Prison were going to be better company than those at La Catedral.

[Begin Valenzuela recording] We were going to give him a nice welcome. We have nothing against him. [end recording]

The truth is that Pablo Escobar's surrender continues to be uncertain, and if it were to happen, he would most certainly not be assigned to this prison. Nonetheless, he will continue to be present in the manner Mario Valenzuela has always held him.

Paraguay

Ambassador Denies U.S. Supported Terror System

PY1301001593 Asuncion ULTIMA HORA in Spanish 12 Jan 93 p 10

[Text] U.S. Ambassador Jon Glassman has flatly and categorically denied that the United States had provided through its officials any support for the "abduction, harming, or murder of any Paraguayan citizen" during the repressive regime of the Stroessnerist dictatorship, claiming that his country's assistance to Paraguayan police during the 1960's and 1970's was part of a hemispheric professional police upgrading program with the goal of "preventing abuses, without torture and without abuses."

The ambassador made these remarks to the press after Decree No. 16,078, confirming the Paraguayan Government's interest in preserving and protecting human rights in our country, was read during a ceremony held at the Government Palace.

Concerning the criticism leveled against the government he represents, criticism which claims that file documents indicate U.S. organizations' past participation in the violation of human rights in Paraguay, Glassman said these claims are inaccurate. He said: "I categorically deny that any other official condoned, knew about, assisted in, or promoted torture. We reject torture, both in the past and at present."

Describing as untrue the charges against his goverment, the ambassador flatly denied the charges of participation by his government's services in abductions and killings. "No U.S. official has contributed to harming or killing any Paraguayan citizen," stressed the ambassador, making it clear that U.S. participation in advising the Paraguayan police has always aimed at preventing torture and abuses.

Safeguard Democracy

Ambassador Glassman reasserted that U.S. support to Paraguay depended on the effectiveness of the democratic system. Asked about the communique issued on a possible coup d'etat, the ambassador said it was not prompted by fears of a coup, but rather because they did not expect "a disruption of the process."

Concerning criticism of possible U.S. meddling in the domestic affairs of another country, the ambassador pointed out: "We just talked about our reaction and our decision to support the process."

Colorado Candidates Cannot Run as Independents

PY1201165393 Asuncion ABC COLOR in Spanish 12 Jan 93 p 8

[Excerpt] Section B of Article No. 270 of the Electoral Code states that none of the candidates for the movements that participated in the Colorado Party primaries

may launch themselves as independent candidates in the 9 May presidential elections.

Diogenes Martinez, coordinator of Luis Maria Argana's candidacy, stated that this possibility has been ruled out, first because the Electoral Court establishes that independent candidates must be disconnected from political party activities for two years, and second "because we are all Colorado Party candidates."

Commenting on the Arganist's position over the indecisive primaries, Martinez said that after all possible agreements are rejected, just two possibilities remain if the authorities do not make a decision: violence or a political agreement. [passage omitted]

Peru

President Fujimori Sends Letter to IMF

PY1301000693 Lima EL COMERCIO in Spanish 6 Jan 93 p A4

[Letter sent by President Alberto Fujimori to IMF Managing Director Michel Camdessus on 13 December, "in the context of the resignation of Economy Minister Carlos Bolona"]

[Text] It is a pleasure to address to you this letter, both to thank you for IMF support for the efforts being made by Peru to normalize the payments of its overdue debts, and to convey some thoughts on the draft economic program for the 1993-1994 period.

The main objective of my government policy is to bring peace to Peru. This is the basic condition for returning to sustained economic growth. Our country has two serious social problems which make Peru different from other Latin American countries: terrorism and drug trafficking.

The efforts made by my government have led to the capture of 95 percent of the leaders of terrorist movements. In the struggle against drug trafficking no progress has yet been made in replacing coca with legal agricultural crops. The achievements made in the police and military actions against terrorism should be complemented with economic policies to make possible the eradication of poverty and misery. This is the best way to do away with terrorism and drug trafficking.

Within this context, and in facing the specifically Peruvian situation, the economic program should be understood basically as an instrument for bringing about peace. This means consolidating the strict fiscal and monetary policy which we implemented in August 1990 to continue to lower inflation, to guarantee a solid balance of payments, and to complete the process for our return to the international financial community.

My commitment is to bringing peace to the country, with an economic program that has a particular objective related to financial policies and goals for the next three years of my administration.

Within this framework, the advanced program in terms of "ad referendum" [preceding two words in Latin] with the IMF is under review and study by the Council of Ministers and the presidency of the Republic.

In view of the circumstances currently affecting our country, I believe that a program in accordance with the process of bringing about peace requires a massive program of investments, and the creation of jobs, for which the needed amounts are under study.

Regarding the normalization of our relations with the IMF, it is necessary to propose that the payments of the overdue debts be made over a period similar to the refinancing made with the World Bank. I have the firm conviction that the IMF's spirit and willingness to cooperate with countries that are making heroic efforts to rebuild will help lift any legal or technical restriction to achieve that goal.

In conclusion, regarding access to IMF resources, I find in principle that the succeeding program should refer to the amount of the installment of the ninth revision as soon as the overdue payments are normalized. I take this opportunity to convey my personal regards.

Government Authorizes Alan Garcia Extradition

PA1301041693 Lima Global de Television Network in Spanish 0000 GMT 12 Jan 93

[Text] Seven months after he left the country, the Peruvian Government formally authorized the extradition request against former President Alan Garcia, who has been charged with illegal enrichment during his presidency. According to unconfirmed reports, during the past few hours the Peruvian Foreign Ministry has notified the Colombian judicial authorities of its request. On 2 August 1992, Garcia requested political asylum in Colombia.

As can be recalled, the judicial process against the former president was put on hold at the start of 1993. However, six days ago, the civil lawsuits court of the Supreme Court of Justice declared that the extradition request was in order. The Supreme Court of Justice stated that Garcia's presence in Peru is vital because of the damaging evidence gathered against him during the investigation.

The objective of the request is aimed at solving one of the most controversial cases in the annals of Peruvian justice. However, now everything will depend on the Colombian authorities.

Meanwhile in Colombia, Prosecutor General Gustavo de Greiff stated that the Colombian Government will only respond to the Peruvian extradition request if it is proven that the charges against Alan Garcia Perez are common crimes and not political persecution. He added that he is awaiting the extradition request in order to evaluate it.

On the other hand, Foreign Minister [title as heard] Diego Uribe Vargas pointed out that the extradition

request is inadmissible and insisted that Alan Garcia is in Colombia because of political persecution.

Democratic Constituent Congress Approves Laws

PY1201235993 Lima EL PERUANO in Spanish 6 Jan 93 p A2

[Excerpt] The Democratic Constituent Congress approved last night the first two laws, which are now ready for promulgation by the executive branch. One of the laws is of a constitutional nature, to clarify the juridical situation in the country, and the other establishes the extension of mayorial mandates until those elected in the 29 January elections take office.

The first law, which is consists of three articles, declares the enforcement of the 1979 Political Constitution without repealing the decree-laws promulgated from 5 April to 30 December 1992.

Article 2 establishes that the decree-laws promulgated by the Government of National Emergency and Reconstruction from 5 April to 30 December 1992 are in full enforcement as long as they are not reviewed, modified, or derogated by the Democratic Constituent Congress.

Article 3 recognizes the president of the Republic elected in 1990 as the constitutional chief of state who personifies the nation.

The Congress also approved a second law extending the mandates of mayors and provincial and district councilmen from 1 January 1993 until those elected in the 29 January elections take office. [passage omitted]

Army Displays Weapons Seized From Shining Path

PA1201231293 Lima Global de Television Network in Spanish 0000 GMT 12 Jan 93

[Text] More than 2,000 weapons seized from the Shining Path at the Aguaytia camp were shown to the media. This seizure is one of the hardest blows dealt to the subversives. Here is an exclusive report.

The results of the military action were shown by Division General Nicolas Hermoza Rios, commanding general of the Army and chairman of the Armed Forces Joint Command. He arrived at the Tingo Maria military base with the commanders of the Huallaga and Ucayali fronts.

[Begin Hermoza recording] The results of this operation, which you are presently viewing, are one of the harshest blows dealt to the narcoterrorist Shining Path. It entails having reached and destroyed one of its main bastions. This must be stressed here to guarantee the hope that we are going to win this war and that we are advancing with confident steps, as the president has ordered the joint command to end this war before 1995. [end recording]

Operation Justice began at 1800 [2200 GMT] on 9 January when, after evaluating the intelligence reports, the existence of a Shining Path base was confirmed in Tres de Octubre. Fighting between the Army and the subversives lasted three hours. The Shining Path sustained 15 casualties while the Army did not sustain any casualties. The Army seized (?38) FAL rifles, two UZI submachine guns, 240 RPG rockets, 286 hand grenades, 165 Instalaza rifle grenades, 15,000 7.65 mm and 9 mm rounds, 350 magazines, three radio sets, and 30 freezers stolen in recent days. All this materiel was seized in the area known as Tres de Octubre. There was enough materiel to supply more than three Shining Path annihilation squads. The Tres de Octubre base was a supply base for food and weapons. This is a hard blow for the Shining Path front that operates in Ucayali jungle. Such an action is not only the result of effective work by the soldiers but also the result of the cooperation of local residents and repentant terrorists whose number reaches 120 in the Huallaga front. This is the case of Deborah, a young teenager who tells us her story.

[Begin recording] [Deborah] I was at school studying when [words indistinct] about 20 men and women entered. They held a rally there. They told us to go with them to join the guerrillas. We did not want to go but they [words indistinct]. They took our things and gave them to our mother who was crying. They took us to [words indistinct] late at night and early at 0400.

[Unidentified reporter] How many incursions did you carry out?

[Deborah] When we were with the guerrillas they were training us, teaching us how to handle weapons, and how to ambush the Army. [end recording]

New Air Force Chief of Staff Installed

PY1201184493 Lima EXPRESO in Spanish 5 Jan 93 p A6

[Summary] Peruvian Air Force Commander General Jose Nadal Paiva on 4 January installed Lieutenant General Luis Chavez Coronel as the new Air Force chief of staff, and Lieutenant General Armando Llosa Alvarez as the new Air Force inspector general.

Venezuela

Disturbances Reported Near Electoral Council

PA1201164193 Paris AFP in Spanish 1551 GMT 12 Jan 93

[Text] Caracas, 12 Jan (AFP)—Disturbances broke out on 12 January in front of the Supreme Electoral Council in downtown Caracas after the police violently dispersed a demonstration by Movement Toward Socialism (MAS) to protest alleged irregularities committed in the 6 December regional elections.

MAS Secretary General Freddy Munoz was injured in the clash and later arrested. The police also attacked

other leaders, including Deputy Argelia Laya and Enrique Ochoa, Human Rights Committee secretary.

The police used tear gas, billy clubs, and a water cannon from a truck popularly known as the whale to disperse the peaceful demonstration.

MAS has denounced repeatedly since 6 December alleged electoral maneuvers to strip the party from three governorships and a mayoralty it won.

In Sucre State, which is one of the two governorships MAS won, outgoing Governor Eduardo Morales Gil of the ruling Democratic Action has refused to allow the installation of Governor-elect Ramon Martinez, who was legally proclaimed the governor.

CSE President Requests Investigation

PA1301010893 Caracas Venezolana de Television Network in Spanish 2350 GMT 12 Jan 93

[Report by Jose Marcano]

[Text] The president of the Supreme Electoral Tribunal [CSE] will ask the Attorney General's Office to investigate the incidents that occurred on the morning of 12 January in front of the CSE facilities and interrupted the work of the vote-counting commissions, which are again trying to add the tally sheets sent by various states and Libertador Municipality.

Given the events that occurred early on 12 January in front of the CSE facilities, CSE President Isidro Morales Paul issued a communique to the public:

[Begin Morales recording] Whereas this morning a group of Movement Toward Socialism [MAS] members gathered in front of the CSE building and the metropolitan police used disproportionate methods and actions against the demonstrators, with the intention of breaking up the demonstration.

Whereas MAS parliamentary members and leaders, as well as some media representatives, were injured as a result of the actions of the metropolitan police.

Whereas the CSE does not endorse the unjustified actions carried out by the mentioned police corps, because they do not correspond to a democratic coexistence.

The CSE decrees:
1. Repudiate and deplore the events that have occurred because it considers they do not help solve the cases that we have to settle.
2. Ask the federal district governor to order the corresponding investigation and, as a result, to enforce applicable sanctions. [end recording]

Four representatives from the Attorney General's Office arrived at the CSE this afternoon. They include Legal Adviser Victor Hoyer, who avoided making statements on the issue. He said the Attorney General's Office will conduct the appropriate investigation.

[Begin Hoyer recording] Undeniably, the most urgent action is to provide medical assistance and gather the corresponding medical affidavits on the injured people. Right? Based on this, we will ask the courts to conduct the corresponding investigation. This could possibly involve a criminal investigation. [end recording]

Nine CSE commissions are expected to continue their work on 13 January. Likewise, the CSE members are expected to participate in a session to evaluate the events.

OCI Minister Comments on Tiuna Incident

PA1301013393 Caracas Venezolana de Television Network in Spanish 2350 GMT 12 Jan 93

[Text] Angel Zambrano, minister of the Central Information Office [OCI], disclosed that what took place this morning at Fort Tiuna was merely a minor incident involving a group of indicted military coupists who are being detained under the orders of the military court and not a military uprising as has been reported.

[Begin Zambrano recording] It was merely an insignificant incident because Colonel [Ernesto] Navarro Martinez, who is in charge of a military police garrison where there are some indicted military coupists, gave way to a military engineering delegation who went to evaluate the need for repairs in the prison. At that time, approximately 15 or 16 of the indicted military officers took the opportunity to detain Col. Navarro as well as the military police engineers. However, this was solved quickly because we acted accordingly. By using two tear gas canisters we were able to subdue the military officers. Once we were able to control the situation, everything returned to normal.[end recording]

Fort Controlled; Official Rescued

PA1201173593 Madrid EFE in Spanish 1631 GMT 12 Jan 93

[Text] Caracas, 12 Jan (EFE)—President Carlos Andres Perez stated on 12 January that Defense Minister General Ivan Dario Jimenez has controlled the situation at Fort Tiuna, where approximately 100 soldiers and civilians charged with rebellion for their participation in the military coup attempt of 27 November rioted on 12 January. Perez said Jimenez has totally brought the situation under control. At one point during this incident, the rioting inmates kidnapped Military Police Director Colonel Ernesto Navarro. Lawyer Virgina Contreras, who is defending 20 soldiers who are at the Fort, said President Perez "is ill informed and has made a mistake again," since the situation "is not just uncontrolled but getting worse." The lawyer said shots were heard. The authorities hurled tear gas at the rioters. Meanwhile, all the reporters were removed from the area.

[Madrid EFE in Spanish at 1659 GMT on 12 January 1993 adds: "Venezuelan military sources rescued Military Police Director Col. Ernesto Navarro." The report

adds: "Ministry spokesmen reported the situation at Tiuna Fort is back to normal, and the rioters have been controlled."]

Perez Comments on Attempted Kidnapping

PA1301014593 Caracas Venezolana de Television Network in Spanish 2350 GMT 12 Jan 93

[Text] With respect to the kidnapping attempt against Army Colonel Ernesto Navarro Martinez, President Carlos Andres Perez confirmed that the incident was solved satisfactorily as a result of the measures taken by the Defense Ministry.

On what took place near the Supreme Electoral Council building, President Perez warned that it is up to this institution to adopt the measures it deems appropriate. With respect to the charges brought against him, he stated that the courts will act according to the law.

[Begin recording] [Perez] I have no comments to make.

[Unidentified reporter] Mr. President, what can you say about the incidents at Fort Tiuna?

[Perez] The incident has been resolved.

[Unidentified reporter] Is it true that a colonel and [words indistinct] were kidnapped?

[Perez] There was an attempt, but it was immediately resolved.

[Unidentified reporter] Mr. President, the church has said that just as the trial of the military coupists has been stepped up, this should also be done with the trial of the civilians who participated in the coup and currently are under arrest.

[Perez] We are very interested in reforming the Judicial Branch. We hope that at this time, during the congressional session, this finally will be accomplished. [end recording]

Spokesman Confirms Sentences, More Trials

PA1201220993 Hamburg DPA in Spanish 2048 GMT 12 Jan 93

[Text] Caracas, 12 Jan (DPA)—A group of 97 military members, accused of participating in a foiled coup d'etat against President Carlos Andres Perez in November 1992, were sentenced to between 14 and 25 years in prison by a court martial on 12 January, it was reported by a government spokesman in Caracas.

The official spokesman said an additional 54—including Rear Admiral Hernan Gruber Odreman, who lead the coup, and several civilians, including leftist guerrilla leader Douglas Bravo—will be tried by a court martial beginning on 13 January, which should decide their responsibility in the 27 November uprising.

An additional 40 civilians and 59 military members were acquitted from the charges of rebellion.

Local radio stations had previously reported Bravo and other civilians being acquitted on the charges of rebellion.

The other prisoners do not include approximately 100 military personnel and civilians led by General Francisco Visconti who fled shortly after the rebellion in a military transport to Peru, where they received political asylum.

The court has sentenced 97 military personnel, most of them Air Force officers, the branch that led the coupists' military actions, above all with air raids on Miraflores Palace and the military airport in Caracas.

The official spokesman said the sentenced prisoners can appeal to a higher military court or submit a pardon request to the president of the republic.

According to unofficial sources, more than 200 persons died in the November uprising, the second against Perez in less than nine months.

A coup led by Lieutenant Colonel Hugo Chavez tried to oust Perez in February, but it failed because the majority of the Armed Forces refused to join the rebellion.

Chavez and other participants in the rebellion are currently at the San Francisco de Yare prison, approximately 60 km south of Caracas, where they still await trial.

Shortly before the sentences were revealed, approximately 15 military members and civilians who remain under arrest in Caracas' Fort Tiuna, the most important military facility in Venezuela, had reportedly seized Military Police Director Ernesto Navarro, whom they released hours later.

According to their lawyers, the prisoners held Navarro to demand their cases be handled by a military court rather than by a court martial, and they demanded Attorney General Ramon Escovar Salom's intervention.

According to the lawyers, the sentence practically makes an amparo request impossible for the accused, who will only be able to appeal the sentences by requesting an annulment.

The lawyers also criticized the fact that the trial was held behind closed doors and with participation only by the court appointed lawyers.